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Japan

Japan: Official on Cuba Shooting Down U.S. Aircraft

OW2802083596 (Internet) Japan Ministry of Foreign Affairs WWW in English 27 Feb 96

["Statement by the Press Secretary/Director-General for Press and Public Relations of the Foreign Ministry on Cuba's Shooting Down of Two U.S. Civilian Aircraft" — from the "What's New!" link]

[FBIS Transcribed Text] Japan hopes that the truth will be clarified as soon as possible concerning the shooting down of two U.S. civilian aircraft by a Cuba military plane.

Generally speaking, shooting down a civilian plane flying over the high seas is considered to be inadmissible under international law. In any case, it is unforgivable to shoot at unarmed and unresisting civilian planes for any reason at all.

Japan is deeply concerned about this incident, and hopes that it will be solved peacefully, and peace and stability be secured in that region.

Japan: Hashimoto, U.S. Admiral Discuss Okinawa Bases

OW2802063796 Tokyo KYODO in English 0616 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — Prime Minister Ryutaro Hashimoto on Wednesday [28 February] urged the new commander of U.S. Forces in the Pacific to cooperate in the Tokyo-Washington drive to reduce U.S. bases in the southernmost Japanese prefecture of Okinawa, a Foreign Ministry official said.

Adm. Joseph Prueher, commander-in-chief of the U.S. Pacific Command, said the U.S. military will make efforts "in good faith" to resolve the issue, according to the official.

Both Hashimoto and Prueher, who arrived in Japan earlier in the day, agreed on the importance of Japan-U.S. relations and bilateral security ties, the official said.

Tokyo and Washington have discussed how to consolidate and reduce U.S. bases in Okinawa, where anti-U.S. military sentiment has grown since the rape of a local schoolgirl last September for which three American servicemen are on trial.

Prueher, who paid a courtesy visit to Hashimoto's official residence and met with the premier for 15 minutes, said his trip to Japan this time is his first visit to any U.S. ally since assuming his current position earlier this year. The admiral will travel to Okinawa, which has a heavy U.S. military presence, before leaving Japan on Saturday.

Prueher replaced Adm. Richard Macke, who resigned as head of the U.S. Pacific Command following a controversy over remarks he made in November. Macke said the three U.S. servicemen "could have had a girl" for the money they allegedly used to rent a car to kidnap the Okinawa schoolgirl.

Japan: Hashimoto Remarks on Possible Illegal Land Use

OW2802064296 Naha RYUKYU SHIMPO in Japanese 28 Feb 96 Morning Edition p 1

[FBIS Translated Text] Tokyo — The Budget Committee of the House of Representatives (with Kousuke Uehara as chairman) held its session on 27 February to concentrate on deliberations on diplomatic and security issues. Questions were asked on such issues as the one on the U.S. military bases on Okinawa. Touching on the 47,000 U.S. military strength in Japan, Prime Minister Ryutaro Hashimoto stressed his idea that it is possible to reduce military bases even under the current framework, and stated: "Even under a precondition of maintaining a fixed military strength, it is possible to realign, consolidate and reduce military bases." Hashimoto made these remarks in his reply to a question asked by Saneyoshi Furugen (of the Japanese Communist Party [JCP]). And in replying to a question asked by Seiji Nakamura (of New Frontier Party [NFP]), Hashimoto stated his strong concern over the fact that the verdict on the trial on the issue concerning the proxy signing [of land leases by the Okinawa governor] will be postponed. Since the land lease [for a land lot in Yomitan village] will expire at the end of March, there is a growing possibility that this land lot will become "illegally occupied" as it will be necessary to follow certain procedures for enforced use of land as military bases. Concerning this fact, Prime Minister Hashimoto said: "I feel very sorrowful about it. Such a state is certainly undesirable for both the central and the prefectural government."

In addition to Furugen and Nakamura, five other Dietmen questioned the prime minister about the government's stance on the base issue. They are: Yoshinori Ono of the Liberal Democratic Party [LDP]; Ritsuo Hosokawa and Shoichi Tanaka of the Social Democratic Party [SDP]; Kansei Nakano of NFP; and Yanosuke Narazaki of the Citizens Group.

Concerning the U.S. military strength, Prime Minister Hashimoto stated: "It is an issue that primarily concerns the U.S. military as to how much military strength is needed in maintaining stability in the Asian-Pacific region." Foreign Minister Yukihiko Ikeda also stated that it is appropriate to maintain the current level.

Concerning the base reduction issue, Prime Minister Hashimoto first said: "It is very difficult to settle this issue while trying to attain objectives stipulated in the Japan-U.S. Security Treaty." Then, on the basis of his recent talks with U.S. President Bill Clinton, the prime minister added: "We will do our utmost prior to the President's visit to Japan, and also at the working level at the two-plus-plus conference (consultations between foreign and defense ministers of the two countries.)" Thus, he indicated his intention to energetically settle the focal issue on the return of Futenma air station prior to the Japan-U.S. summit talks scheduled for April.

Concerning the issue on enforced use of land as U.S. military bases, Masuo Morotomi, director general of the Defense Facilities Administration Agency [DFAA] stated: "It is hoped that the verdict on the proxy signature trial will be issued in March. Then, procedures will be taken for the emergency use of the land by submitting an application for arbitration to the Prefectural Expropriation Committee." In this way, Morotomi officially indicated the government's intention to apply emergency action for using the land for a maximum of six months on the basis of the special law on the use of land for troops stationed in Japan.

However, depending on the timing of the verdict, there is a strong possibility that the land lot — the land lease of which will expire at the end of March — may become illegally occupied. Hence, the government is already speeding up the study of concrete measures to enable the continuous use of the land lot. For example, whether it is possible to use the land under a certain interpretation of the existing laws.

Japan: Talks on Futenma Base Begin in Washington

OW2802044196 Tokyo KYODO in English 0229 GMT 28 Feb 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, Feb. 27 KYODO — The United States and Japan started discussing consolidation of specific U.S. military bases in Okinawa at a meeting here Tuesday [27 February] of a joint action committee, with "high priority" placed on the Marine Corps' Futenma airfield, a Japanese official said.

"We held an informal exchange of views on specific U.S. facilities in Okinawa to use them as a basis for beginning full-fledged discussions" toward consolidating and reducing U.S. bases in Okinawa, the official said in briefing reporters on the third working-level meeting of the action committee.

"High priority is placed on the Futenma base...so it took a relatively long discussion," the official said, referring to the issue of relocating the base that houses U.S. Marines helicopter and transport squadrons.

While noting the two nations have yet not come up with concrete positions, the official said the two sides "reaffirmed the need to accelerate discussions" ahead of a planned bilateral summit during U.S. President Bill Clinton's state visit to Tokyo in mid-April.

The two sides agreed to meet again soon in early March in Tokyo, said the official, speaking on condition of anonymity.

Washington and Tokyo established the special action panel last November to address problems associated with the U.S. military presence in Okinawa in the wake of a public outcry over the rape of an Okinawan schoolgirl last September, for which three U.S. servicemen are on trial.

Okinawa, a small island prefecture which hosts 75 percent in land space of the U.S. military facilities in Japan, has made removal of the Futenma base its top priority.

Prime Minister Ryutaro Hashimoto made specific reference to the base during his talks last Friday with Clinton in Santa Monica, California.

Clinton promised to do his best to resolve the problems of U.S. bases in Okinawa, Winston Lord, assistant secretary of state for Asia and Pacific affairs, told reporters after the Santa Monica summit.

The Japanese official said that it is too early to judge whether the action panel will be able to resolve the Futenma base issue by the time of Clinton's visit in April.

He said relocating the functions of the Futenma base is an extremely difficult issue. "High priority does not necessary mean that we must find a solution first before proceeding with other issues."

But the official reiterated Japan's stance of showing "some direction" during Clinton's visit for the action panel, which is aiming to find concrete solutions by fall.

Against this backdrop, the two nations started to share their own preparations and studies so far on the Futenma base and other U.S. facilities in Okinawa in a bid to step up discussions for finding specific measures.

A U.S. administration official said earlier this week that Washington prefers complete relocation of the Futenma base rather than a transfer of parts of the operations there to different locations in Japan.

Another U.S. official said Washington is interested in moving all of the Futenma operations to the Kadena Air Base, also in Okinawa.

Last week, Japanese Government sources said Tokyo has been considering plans to move the Futenma facilities to more than one site, such as the Kadena base and Iwakuni Air Station in Yamaguchi Prefecture, western Japan.

The Japanese official said the two sides agreed at the Washington meeting to try to resolve as early as possible problems in five areas involving preferential treatment of U.S. military personnel in Okinawa under the bilateral Status of Forces Agreement.

The action panel agreed at its first meeting in December to start discussing the five areas — reducing noise, mandating license plates on U.S. military vehicles, improving quarantine measures and health sanitation, and opening U.S. military golf courses for use by the Japanese public.

With arrangements proceeding relatively smoothly on reducing noise from aircraft drills in particular, the two nations agreed to resolve it by mid-March, the official said.

The meeting also produced an agreement to begin discussions on three new areas — disclosing U.S. investigation reports on aircraft accidents, publicizing implementation of provisions of the status accord, and finding measures such as insurance to improve compensation to victims of car accidents caused by U.S. military personnel.

Japan: Official Says Cut of Futenma MCAS Not 'Top Priority'

OW2802091396 Tokyo TOKYO SHIMBUN in Japanese 27 Feb 96 Morning Edition p 2

[FBIS Translated Text] A top Foreign Ministry official commented 26 February on Prime Minister Ryutaro Hashimoto's mentioning Futenma Marine Corps Air Station [MCAS] during recent summit talks with U.S. President Bill Clinton, referring to the issue of scaling down U.S. military bases on Okinawa. He said: "There is no special meaning to that. The prime minister merely conveyed the Okinawa Prefectural Government's request." In this way, the official stressed that the Japanese Government does not consider the reduction of Futenma MCAS the top priority issue.

The official also pointed out that "the Okinawa Prefectural Government's request is just one of many factors that will be taken into consideration." He indicated that the Futenma MCAS issue will also be weighed in respect to the Japanese-U.S. Security Treaty as well as the level of difficulty in its realignment, consolidation, or reduction.

The United States has already indicated willingness to accept the relocation of a transport squadron stationed at Futenma MCAS to a mainland Japan site. However, the Japanese Government is having problems trying to find a suitable relocation site. The top Foreign Ministry official made his comments out of concern over possibly mounting local expectations on reduction of Futenma MCAS.

In regard to Prime Minister Hashimoto's mentioning Futenma MCAS during his talks with President Clinton, Okinawa Governor Masahide Ota said: "The return of Futenma MCAS is the top priority issue."

Japan: LDP Commission Supports Security Pact With U.S.

OW2802131496 Tokyo YOMIURI SHIMBUN in Japanese 28 Feb 96 Morning Edition p 3

[FBIS Translated Text] On 27 February, the Liberal Democratic Party's [LDP] Research Commission on Security (with Tsutomu Kawara as chairman) revealed the outline of its report on the Japanese-U.S. security arrangement. What is striking here is that in regard to the post-Cold War security arrangement, the commission urges Japan to make further efforts, stressing that "it is important for Japan to make more positive efforts to strengthen and help maintain the Japanese-U.S. security alliance."

In the outline, the commission stresses that the security arrangement is vital to Japan to enable the country to uphold its defense policies, including the three nonnuclear principles and the concept of exclusive self-defense. On top of that, in its report the commission asserts: "Many countries have established military alliances with their partners. To ensure its own security, Japan needs the U.S. military presence which forms the core of the Japanese-U.S. security alliance."

Regarding the planned summit meeting between Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton during the latter's visit to Japan in April, the commission, in its report, considers the meeting "a good opportunity for the governments of the two countries to show their determination to maintain the bilateral security arrangement." The commission urges that the two leaders "should clearly show that concrete progress is being made in cooperative efforts between Japan and the United States" in addition to work on drawing up an affirmative joint declaration on the bilateral security arrangement.

Moreover, the commission, in the outline of its report, specifically lists the following recommendations in regard to making the Japanese-U.S. security arrangement more reliable: 1) Response to an emergency on the Korean Peninsula and other "crises around Japan;" 2) Smoothing out problems related to the stationing of U.S. military forces in Japan, including progress on the issue of realigning, consolidating, and reducing U.S. military bases on Okinawa; 3) closely-coordinated policy discussions and information exchange; and 4) A broad mutual exchange of information on defense equipment and technologies.

The LDP commission plans to compile its report before the end of March and ask the government to have its contents reflected in the joint declaration on the bilateral security arrangement.

Japan: Rebuilding of Alliance With U.S. Urged

OW2802033996 Tokyo YOMIURI SHIMBUN in Japanese 19 Feb 96 Morning Edition pp 1-2

[Article by Hisahiko Okazaki, former ambassador to Thailand: "Japan-U.S. Alliance: Foolishness of Making Hasty Conclusion on Bases; Constructive Dialogue Needed In Preparation for Emergencies"]

[FBIS Translated Text]**Fluid Far East Situation Feared**

It seems that the time has come at last for redefining the Japan-U.S. alliance following the election of Ryutaro Hashimoto and Ichiro Ozawa respectively as leaders of the Liberal Democratic Party [LDP] and Shinshinto (New Frontier Party) [NFP], and with Hashimoto taking office as prime minister.

That task is so urgent it cannot wait another day. The Social Democratic Party [SDP]-led cabinet was a government that did not represent the will of the Japanese people. Nor is there any possibility of the SDP becoming the ruling political party by winning the next election. In the previous election, no voters placed hope in the SDP regime. It was so disgraceful for the LDP which had yielded the premiership to the SDP and had let it negotiate the Japan-U.S. security arrangement. As expected, the SDP regime sowed the seed that may well undermine the foundation of the Japan-U.S. alliance. For the benefit of Japan and its people, one of the new order's urgent tasks is to reconstruct the Japan-U.S. alliance that the SDP almost destroyed.

As a matter of fact, it was the U.S. side that had doubts about the future of the Japan-U.S. alliance after the end of the Cold War. Its end meant a major change in many countries' security and it was natural for discussion to revolve around a review of the conventional system. In the Far East, however, the situation surrounding the Korean peninsula and the Taiwan Strait had continued to be a primary concern since the signing of the Japan-U.S. Security Treaty. In other words, the past four decades were periods of relative stability in these regions, but next 10 years are feared to pose a far more unstable and fluid panorama. By the same token, all the experts knew that the end of the Cold War would not substantially affect the Japan-U.S. alliance.

However, the naval and air force strength of the former Soviet Union, which could not compare to the U.S. Seventh Fleet in the early days of the Cold War, was so drastically reinforced in later years as to become a matter for great concern in the final days of the Cold War. In this connection, it was unavoidable that the debate on the Far East would rely on the same terms of reference as used in the analogy of the post-Cold War impact in Europe.

On top of it, the United States at that time suffered double trade and budget deficits due to the arms race with the then-Soviet Union, while Japan, not quite awakened from the dreams of the bubble economy, puffed up with pride, deepened the wounds of Japan-U.S. friction by criticizing Americans' work ethic.

Thus, some people came to ask why the United States had to defend such a well-to-do country as Japan, and others argued the security arrangement should be repealed unless Japan did not reduce its trade surplus. Also it was thought that bilateral alliances potentially should be replaced by multinational collective security arrangements along the lines of Woodrow Wilson's ideals.

Such arguments were temporarily halted by the so-called Nye Report, a Pentagon report from February 1995. The report did the following: defined the Japan-U.S. alliance as the linchpin of U.S. security policy in the Asia-Pacific region; noted that economic tensions must not be allowed to undermine the foundation of the alliance, and urged maintaining the current level of 100,000 American troops because reduction in U.S. military strength in Asia had already been completed following the end of the Cold War; and defined that multilateral agreements complement bilateral ties but that they cannot replace these bilateral relationships.

Strong points of the Nye report are that it represents the consensus of experts. In U.S. politics, experts are not necessarily influential, but this report is realistic and balanced and has won wide support among regional experts at both the Department of State and the Department of Defense.

The Supreme Condition for Japan

The importance of U.S. military bases in Japan is supreme above all. The United States lost its bases in the Philippines. The British naval base in Hong Kong is available only for another year. Diego Garcia is completely dependent on support from Japan from the rear. If bases in Japan are lost, the United States is without the capability to intervene in the whole Asia-Pacific-Indian Ocean region. That would amount to the United States abandoning its responsibility for maintaining the post-Cold War new world order. Except for a few isolationists, few informed Americans call for that a retreat to that degree by the United States.

Bases in Japan are located in the opposite side of the earth with a very favorable geographical situation in that they are on islands along the periphery of the Continent, and can count on the world's foremost economic and technological capabilities for support. Above all, Japan is a stable democracy, with no fear of political changes as have occurred in Libya and Iran in the past. In conformity with its traditional sense of values, it is natural for the United States to maintain the closest alliance with the most mature democracy in Asia.

The remaining powerful theory of opposition at present is pretty much a constructive suggestion to strengthen the Japan-U.S. alliance on the grounds that the alliance would not function in an emergency unless Japan recognizes the right to exercise self-defense and improves its bilateral character.

Transitional Agreement of Three Parties

Meanwhile in Japan in the same period, debates on the security arrangement dissolved by a strange turn of events. It was because the SDPJ which had been given the rein of power could not maintain its perennially-held theoretical view and came to agree with the constitutionality of the Self Defense Forces and maintenance of the security arrangements. And in January last year, in a joint press conference with U.S. President Bill Clinton, Prime Minister Tomiichi Murayama said that the Japan-U.S. alliance is useful for the stability of Asia and the Pacific region.

Thus, for the first time since the start of the Cold War a wide-spread consensus was won between Japan and the United States and it was to be upheld when President Clinton made an official visit of Japan in November, when the rape incident involving U.S. servicemen took place in Okinawa. At this point, the mistake of handing the rein of government to the SDPJ was exposed for everyone to see. The official residence of the prime minister which was occupied by only SDPJ people abruptly reverted to atavism of anti-U.S. and anti-base doctrine and ran recklessly in that direction.

As a result, the problem of military bases began to be dealt with as a central issue and "reduction" was added to the list of topics for discussion in addition to integrating and restructuring the bases. By this, an subplot was laid for the dialogue for future Japan-U.S. security arrangement to become a struggle to recapture bases, rather than to discuss strengthening the Japan-U.S. security arrangement.

Another outcome was an agreement that makes it possible to demand that U.S. servicemen be turned over to the Japanese authorities even before their arraignment. Thus seeds were sown for anti-U.S. demonstrations to take place in demand for the transfer of U.S. servicemen who are suspects.

In a tripartite agreement before the start of the Hashimoto cabinet, the SDPJ demanded a reduction of U.S. troops and forcibly inserted an objective "to prevent permanent fixing of U.S. military bases and their size."

In a long-range view, however, such developments can be viewed better as transitional phenomena. Fundamental understanding of the Japan-U.S. alliance has long been settled and no significant change on either side is anticipated. The recent event may be understood to be a small reaction, an explosion of frustration on the part of an emotional leftist faction of the SDPJ that had been compelled to make an abrupt turn from "opposition to the security arrangement" to "holding fast to the security arrangement." As for the tripartite agreement, that system of cooperation among the three parties is less likely to continue after the next general election. The cleverest way to get through this transitional period is to do away with unnecessary things and not to stir up any trouble. But the problem is President Clinton's official visit to Japan scheduled for this April.

Here I make a proposal to the LDP government. Both the Japan-U.S. understanding and the tripartite agreement provide that conclusions to the base problems could be worked out within a year. Then, no hasty conclusions are necessary and it is all right to carry on discreet examination of the problem in April. Reduction of bases has not surfaced in the preparatory stage for President Clinton's visit originally scheduled in November last year. It was the SDPJ-dominated official residence of the prime minister, not the representation of the popular will, that was forced to insert the reduction of bases in the tripartite agreement, taking advantage of the LDP's weakness that could not dare to risk the rupture of the tripartite cooperation. What we have to refrain from most is falling into a routine thinking that "we cannot do without anything conceivable." Otherwise, Japan is going to inherit as it was the disgrace of the previous LDP system that entrusted the premiership to the SDPJ in its desire to take over the reins of power.

The United States does not need to prepare any gifts when the president makes an official visit of Japan. It should wait until conditions are worked out so that it can seriously discuss about the kind of cooperative relation that is required for both Japan and the United States and for stability of the Asia-Pacific region in true sense, because there is still a year to spare. If you talk with the counterpart that is bound by the agreement "to prevent the U.S. military bases and their sizes from being fixed," that will help escalate the struggle to recapture bases, in spite of whatever compromises you make.

Asking For Okinawa's Understanding

If your counterpart is ready for constructive dialogue, various possibilities will emerge. In case of an emergency in the Korean peninsula, it is self evident that more airfields will be needed in addition to Kadena and Futenma that will be very busy dealing with contingencies. If Japan is serious enough in considering the effectiveness of the alliance, it would officially make available all civil airports in Kyushu and Sanin districts for use by both the Self Defense forces and the U.S. forces in case of an emergency. Likewise, it would make such preparations ready now so the return of the Futenma Marine air facility can be listed in the agenda of dialogue. This is the best plan for making the burden of Okinawa and mainland Japan equal.

In actuality, these things are what the Japanese government was originally asked to do but successive regimes put off their solution to later days in fear of adverse domestic response. Talking things over with a government that can negotiate in calm manner, "restructuring, integrating and reducing bases can be worked out in coordination with the aim of achieving the objectives of the Japan-U.S. security arrangement."

Finally, I want the Okinawan people to understand the fact that both Okinawa and the mainland are part of a ship called Japan. The Okinawan people complain that their room is noisy and hot and therefore it is unfair because it is close to the engine room. If the engine is thrown away, the ship will eventually be adrift on the sea, be wrecked and they will sink with the ship. Somebody has to live there and nobody wants to replace the role of the Okinawans. Oita Prefecture, birthplace of [former] prime minister Murayama, did not want to substitute the role of Okinawa, although it had suitable space for partial substitution. Then it is the right road to take to seek the compensation for unfairness somewhere else and do away with opposition struggle against the military bases which yields little despite much labor. This opposition may endanger the foundation of the Japan-U.S. security arrangement which is vital for Japan.

Importance of the Japan-U.S. security arrangement comes from Japan's geopolitical situation. In the past three centuries, the Anglo-Saxons controlled the world's seas at all times and they have been the roots of world democracy. Japan, an island nation, can assure its safety, secure supply of resources, and can be prosperous, free and democratic, as long as it remains friendly with the Anglo-Saxon world. Such times are represented by the 20-year period of the Japan-British alliance and the half-a-century of the Japan-U.S. alliance. The Okinawan people, as worst victims, have experienced most conspicuously what Japan's drifting and wrecking brought when the alliances were gone.

Japan: Editorial Reviews Hashimoto-Clinton Talks

OW2802024196 Tokyo YOMIURI SHIMBUN in Japanese 25 Feb 96 Morning Edition p 3

[Editorial: "Japan and the United States Should Try Harder for Tokyo Talks"]

[FBIS Translated Text] The first meeting of Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton, on the west coast of the United States, was a very short talk of about an hour.

In this sense, it is questionable if Hashimoto really fulfilled his purpose of "establishing personal ties between the two top leaders."

However, it appears the two leaders accomplished certain achievements in "paving the way" for the next round of summit meetings in Tokyo, which will be held in April to "update" Japan-U.S. security arrangements.

Above all, Hashimoto and Clinton agreed that the Japan-U.S. security arrangement is "the foundation of bilateral ties" even after the Cold War, and that it is important for peace and stability of not only the Asia-Pacific region, but also the entire world. We highly rate this indication demonstrating "Japan-U.S. ties."

In this connection, the two leaders reconfirmed their stance to jointly cope with the Korean peninsula situation. Japan pledged to bear a certain part of the U.S. share in the Korean Peninsula Energy Development Organization (KEDO) fund. Also, they discussed the worsening relations between the PRC and Taiwan.

Those uncertainties directly affect peace in Asia and the entire world. Japan and the United States are supposed to maintain close cooperation for coping with these issues.

They also defined the issue of realignment and reduction of U.S. military facilities in Okinawa as "the top priority task," and agreed to continue consultations to obtain "maximum achievements" from the president's Japan visit. This was because a settlement of the Okinawa issue is inevitable to building up stable bilateral ties in the post-Cold War period.

Definite plans are being discussed at the working-levels. Japan is expected to formally propose reduction of Futenma Air Station in the near future, as Hashimoto referred to it at the summit.

The Japanese and U.S. Governments are supposed to accelerate the policy-making process to settle the Okinawa issue. In the process, they should not forget about maintaining appropriate strength of U.S. Forces in Japan and other "security needs," as President Clinton indicated.

With respect to economic subjects, they reconfirmed to settle existing problems through mutual efforts in preparation for negotiations on definite subjects.

President Clinton positively rated achievements in bilateral trade negotiations in the past, and, on that ground, noted the need for consultative settlement of four pending issues, including insurance, now under negotiation. In response, Prime Minister Hashimoto stressed Japan's stance to deal with the issues "sincerely and without creating much dispute."

As a matter of course, the two nations should remove all obstacles to smooth functioning of economic relations between them. Prime Minister Hashimoto offered to President Clinton Japan's policy to deregulate standards for U.S.-made housing materials. In the news conference following the talks, Hashimoto also noted Japan will revise copyright protection terms.

Yet, some of the U.S. demands, such as the demand for extending the bilateral semiconductor accord, look unreasonable to Japan.

At the Tokyo summit, Japan and the United States are expected to discuss the four pending issues as definite subjects in economic talks. We hope the two top leaders will try their best to settle existing problems to create better circumstances by such measures as correcting the trade imbalance.

The Group-of-Seven will hold a summit in Lyon this coming June, and an informal summit of the Asia-Pacific Economic Cooperation (APEC) forum is scheduled for November. Prime Minister Hashimoto and President Clinton are supposed to promote peace and development of the world making the most of the strengthened Japan-U.S. ties.

Japan: Editorial on Hashimoto-Clinton Summit, Security Issue

OW2802024096 Tokyo TOKYO SHIMBUN in Japanese 25 Feb 96 Morning Edition p 5

[Editorial: "The 'Close Personal Friendship' and Relations Between the Nations"]

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto held his first summit with U.S. President Bill Clinton at his own request in Santa Monica, the United States. The meeting reportedly went on in a frank and friendly mood. However, the true diplomatic "balance sheet" [who scores more diplomatic points] has yet to be clarified.

It is reported that the meeting ended within the scheduled time limit. The results were also as expected. Prime Minister Hashimoto stated that he thinks President Clinton "sincerely understood" the need for settling the pending issue concerning reduction of U.S. military bases on Okinawa. However, the two leaders did not discuss the issue sufficiently to the extent where they could "score points" by achieving results. We do not mean to make light of the meeting. We would like to say that the meeting was significant in its own way from the viewpoint of stressing Hashimoto's political stance, especially his attitude toward the United States.

Clinton, who is in the midst of the preliminary skirmish of the presidential election, has been spending high-tension days to make sure of his reelection — though he has no opponent within his party. His schedule must also have been very tight before and after his meeting with Hashimoto.

Hashimoto, who confessed fatigue from the difficult "jusen [housing loan companies] talks in the Diet," spent more than 40 hours to tear an "hour" from the President. The two leaders did not stand on equal footing regarding the meeting's time "balance sheet." The prime minister's only objective for the meeting was to establish a "close personal relationship" with Clinton.

It does not follow that there are not many urgent issues between Japan and the United States. On the contrary, the two countries are facing the hardest question — the reconfirmation of Japan-U.S. security arrangements, the future existence of which is unstable. As a prerequisite for the reconfirmation, the two countries have to indicate by any means a concrete way for the reorganization and consolidation of U.S. military bases in Okinawa Prefecture at the April summit during the President's

Japan visit in an effort to ease the actual pain of the people of the base-island Okinawa.

Various questions have been raised regarding the existing Japan-U.S. Security Treaty and its annexed agreements. It will be necessary to review some points. However, close security cooperation between Japan and the United States is essential in view of the unstable situation in East Asia and the geopolitical position of Japan, which faces the United States over the Pacific Ocean. Few people oppose the opinion because it is true from the viewpoint of not only the two countries but also of all of Asia and the world.

Nevertheless, the general argument on "maintaining bilateral security arrangements" and the burning question of reduction of military bases on Okinawa might run counter to each other. The more the Hashimoto cabinet — which is forced to settle both questions — asks for "U.S. understanding," the more the issue threatens the cabinet itself as a double-edged sword.

It is well understandable that Hashimoto — who keenly recognizes the issue's difficulty — wanted to meet with Clinton before the President's April visit to Japan and to create an atmosphere of personal acquaintanceship. Immediately after his cabinet's inauguration, the prime minister also sent a signal of attaching importance to the United States by dispatching Foreign Minister Yukihiko Ikeda to the country.

It is probable that in the prime minister's mind there was the public view of comparing himself with Ichiro Ozawa, president of the opposition New Frontier Party, who is recognized as a "reformist" in the United States thanks to his pet opinion of urging Japan to become an "ordinary nation." There was Hashimoto's concern over the fact that he is apt to be regarded as a "formidable politician leaning toward nationalism" from the impression of him in trade talks, such as Japan-U.S. automobile negotiations. He probably wanted to sweep away this image.

The latest Japan-U.S. summit was held under those circumstances. Therefore, there is no need for Hashimoto to emphasize far-fetched "achievements," and we also do not have to criticize the lack of concrete discussion at the meeting.

When it comes to the relationship between Japanese and U.S. leaders in bilateral ties, the "Ron-Yasu" relationship [between then President Ronald Reagan and then Prime Minister Yasuhiro Nakasone] is often referred to. It is desirable that diplomacy between state leaders be based on close friendship. However, it goes without saying that national interests often easily go beyond personal relationships. There is no need to be hasty in establishing a "Bill-Ryu" relationship. It will be made clear in the future who will score more diplomatic points.

Tokyo Decides To Ease Housing Importation Rules

OW2502134896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Feb 96 Evening Edition p 1

[By Satoshi Kittaka]

[FBIS Translated Text] Santa Monica, 23 Feb — The Japanese Government has decided to ease regulations on housing imports. Prime Minister Ryutaro Hashimoto informed U.S. President Bill Clinton of the decision at a meeting held on the evening of 23 February. At present, housing cannot be imported from the United States and other countries, unless they meet various requirements, such as length and thickness, which are stipulated by the Japan Building Standards Act. The act will be revised to include technical standards, such as quake-resistant and fireproof standards. If these requisites are fulfilled, houses will be able to be imported, regardless of standards on length and other specifications.

Japan: Government Urged To Learn From Thai-U.S. Aviation Talks

OW2602000596 Tokyo ASAHI SHIMBUN in Japanese 23 Feb 96 Morning Edition p 4

[By Yukifumi Takeuchi]

[FBIS Translated Text] Japan-U.S. negotiations over air cargo transportation, which both countries are trying to bring to an end by the end of March, will reach a turning point. However, Thailand successfully ended its aviation negotiations with the United States at the end of January. This may become helpful to Japan.

In Thailand's case, passenger transportation service was also a subject of negotiations. Similar to the Japan-U.S. case, discussions were focused on the "extension right," under which U.S. airlines had the right to fly into Thailand from the United States and then to extend the flights to other destinations. In 1989, Thailand scrapped the old aviation accord, which gave unlimited extension rights only to the United States, saying that it was an "unfair treaty." After that, demand for more flight services between the United States and Thailand increased rapidly. However, they were unable to increase the number of flights because there was no aviation accord. Therefore, the United States gradually became impatient.

In the end, the United States and Thailand agreed, among other things, to have the same number of flights under the "extension rights." To Thailand, this agreement acted as an accord that increased the number of flights for Thai airlines and put a hoop on the number of U.S. flights. A Thai Government official happily said: "Our demands have been accepted without change."

Last summer, when the Untied States hinted at imposing a sanction designed to ban transportation of goods to the United States by using Japanese airlines, Thailand made an overture as a support measure for Japan to avoid such a ban, saying that Japan could use Thai airlines. The offer had the effect of gaining Japan's gratitude and at the same time giving an impression to the Untied States that Thailand is a tough negotiator. The Thai Government knows that with the negotiations with France, who scrapped an aviation accord with the United States, near at hand, the United States was in a hurry to reach an agreement with Thailand. Therefore, the Thai Government was consistent in keeping a strong attitude.

In Japan's case, the impact of abandoning a flight accord will be great because Japan has more U.S.-bound flights than Thailand. After completing talks on cargo transportation, Japan has to deal with the issue of passenger transportation. They can create friction in other areas too. It may be difficult for Japan to decide whether or not it should assume a tough stance. Nevertheless, the negotiation strategies of Thailand — a "small giant in the diplomatic world" who has remained "independent" in Asia — are sharp-witted.

Japan: Article Views Change in U.S. Stance to Issues

OW2802024296 Tokyo SHUKAN DAYAMONDO in Japanese 2 Mar 96 Edition p 16

[FBIS Translated Text] As compared to severeness at one time, U.S. bashing against Japan seems to have calmed down recently. Even in the U.S. presidential election, which has become heated with "Super Tuesday" on 12 March approaching, "Japan-related problems" are hardly taken up.

In the 1992 presidential election, Japan-related issues, including restriction on Japanese car exports to the United States, were the main arguments. Compared to that, the ongoing election campaign is dead calm.

Needless to say, there are pending trade issues between Japan and the United States. The immediate problems are: the Japan-U.S. Semiconductor Accord, which is due to expire at the end of July; Eastman Kodak's claim against Fuji Photo Film Corporation; and insurance and air cargo issues. These problems are certain to be taken up for discussion at the bilateral summits scheduled for late February and April.

In the last election, former President George Bush, with a mind to the election, demonstrated his stand by visiting Japan with U.S. automaker executives. However, there seems to be a slim possibility that such a showy demonstration will be given in the forthcoming summit for the election's sake.

Actually, the U.S. Government has so far remained cautious about the trade issue. U.S. Trade Representative [USTR] Mickey Kantor, who is famous for his hardline attitude toward Japan, praised Japan's efforts in a recent statement.

Regarding the semiconductor accord, which is believed to be the most crucial issue, the U.S. has assumed a moderate attitude. For example, a USTR Office official spoke to private Japanese companies in Washington at the beginning of this year: "We do not seek figures. We would like Japan to accept our demand for the treaty's extension."

The fact that the United States has stood at a disadvantage in recent trade negotiations with South American countries is one reason for the soft U.S. attitude. However, an obvious change in the U.S. view about Japan is the main reason.

The U.S. view is formed based on the following facts: trade imbalance between the two countries has been rectified; it is highly likely that the imbalance will be corrected further; and as for the currency affair, yen-dollar relations have been stable in general.

With the U.S. economy's international competitiveness recovering, Japan has not been a big threat to the United States. In addition, the United States believes that further bashing Japan, which is still suffering from a sluggish economy, would bring a new dispute.

Of course, depending on the developments of the election campaign in the mid and western regions, the Big Three's strongpoints, there is still the possibility that Japan bashing will flare up. In any event, Japan-related issues are a minor problem in the current presidential election. Although it is fortunate for Japan, we should be concerned about the "Japan passing" instead of "bashing."

Japan: Article Urges U.S. To Overcome 'One Nation Policy'

OW2802060796 Tokyo ASAHI SHIMBUN in Japanese 25 Feb 96 Morning Edition p 2

[Article by Yoichi Funabashi, ASAHI SHIMBUN U.S. general bureau chief: "How to Overcome 'One Nation

Policy' — Japan-U.S. Summit Amid Buchanan Tornado"]

[FBIS Translated Text] The implication of the Japan-U.S. summit held amid U.S. presidential primaries was found not in its contents but in the situation surrounding it.

Japan and the United States must join hands to prevent the political advancement of Mr. Patrick Buchanan, a conservative and isolationist Republican candidate, or the spread of "Buchananism" symbolized in his advancement. To achieve this, what should be done and what can be done? The summit held this time will remain in our memory as an encounter in which the two leaders were unexpectedly exposed to the blast of these naked "America first" sentiments "in real time." Actually, this is the point the United States' interest and reporters' questions were centered on.

Buchananism is the amalgamation of cultural exclusionism, economic nationalism, and the America-first policy. It emerged as a result of the post-Cold War commotion in U.S. society. While supporting limited immigration and restricted imports, Mr. Buchanan opposes abortion in all cases, gun control, dispatch of the U.S. forces abroad, and the extension of economic aid to foreign countries. He also takes a hostile attitude toward world organizations such as the United Nations and the World Trade Organization (WTO).

Few people think Mr. Buchanan could win in the presidential election. However, Buchanan effects will inevitably have a certain amount of impact. Being edged out by Buchanan, Senator Bob Dole, an adds-on favorite of the mainstream Republicans, is now desperate to project his image as "trade hawk." He vows to "take a tough stance on trade policies and severely impose the U.S. trade law."

The aftershocks of this may even affect the policies of Clinton's Democratic administration.

According to a high-ranking U.S. official who recently visited Santa Monica, "Clinton's election advisers seem to have two opinions. Some support the idea that Clinton should clearly demonstrate his difference from Buchanan by strengthening the free trade line which he adopted to have the North American Free Trade Agreement (NAFTA) approved by Congress while implicating middle-of- the-road Republicans. The others say that he must cope with Buchanan through a tougher negotiation strategy than Mickey Kantor's (U.S. Trade Representative) style."

However, who, in the first place, helped accelerate Buchanan's economic nationalism this far? "It was the Clinton administration which repeated its Japan bashing over and over. It made politicians believe that Japan bashing can win people's vote," criticizes Colombia University professor Jagdish Bhagwati.

Japan and the United States must back up the WTO, promote the Asia-Pacific Economic Cooperation (APEC), formulate macroeconomic policies of cooperation to correct the trade imbalance, and advocate a policy to put the brakes on domestic protectionism with resolve. It is time that the two countries reviewed the Japan-U.S. economic framework and its approach which only focuses on bilateral relations and microeconomic issues. After the summit, Clinton implicitly criticized Buchanan by saying, "We must not bring feelings of fear, anger and grudge to trade negotiations." He also stressed the need for "freer and fairer trade." If the leaders of the two countries reaffirm the importance of free trade, it can be said that the Buchanan shock has resulted in an unexpected benefit.

Meanwhile, Mr. Buchanan advocates the security concept of defending the United States, the Caribbean Sea, and Central America. Samuel Francis, a man who is said to be a logical prop of Buchananism, even mentioned "disposal" of Hawaii and Alaska. An argument that Japan is a security freeloader and for the abolition of Japan-U.S. security framework stem from such a defense stance.

Mr. Buchanan, who is a believer in "the law of the jungle," argues that although all northeast Asian countries will eventually become nuclear states, the U.S. should leave it alone because it has nothing to do with the United States. He harbors not only economic but also cultural and racial antagonism toward both Japan and China.

Buchananism, which is based on economic apprehension and anxiety for the future, is an intention to express protests and complaints in terms of culture and race. Russia's Vladimir Zhirinovskiy sent a "congratulation and alliance message" to "American Zhirinovskiy" Buchanan for his series of primary victories. The resentment of those gripped by the sentiments of decline and deterioration transforms into misgivings against the Jews and Asia, which symbolize affluence and progress. These two politicians resemble this thinking.

Japan and the United States must cooperate in the reconstruction of the Japan-U.S. security framework, the assimilation of China into the international community, the establishment of the multilateral Asia-Pacific security framework including Russia, and the reactivation of the United Nations.

The fact that the United States made light of the alliance after the inauguration of the Clinton administration turned it increasingly inwardly-oriented. At long last, a restoration of the ally relationships has begun with the dispatch of troops to Bosnia and the reaffirmation of Japan-U.S. security arrangements.

In case of Japan-U.S. relations, restoration started in a passive way because it was urged after the tragedy on Okinawa. The question is how the United States will act toward enhancing active and long-term bilateral relations. Its action will affect the improvement of the Okinawa base problem and especially, Prime Minister Hashimoto's political decisions as well as his leadership.

Japan: Quadrilateral Trade Minister Talks Slated for Apr

OW2602042696 Tokyo ASAHI SHIMBUN in Japanese 23 Feb 96 Morning Edition p 11

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] disclosed on 22 February that the quadrilateral trade minister conference will be held at the Hyogo prefectural guest house in Kobe from 20-21 April. The Japan-sponsored conference will be attended by trade ministers from Japan, the United States, Canada and the European Union (EU).

Reportedly, the idea of holding the conference in Kobe was suggested by Prime Minister Ryutaro Hashimoto while he was serving as MITI minister. He suggested that "it will be a chance to give encouragement to Kobe residents who are victims of the serious earthquake last year, and also a chance for participating ministers to take a look at Kobe, which is in the process of reconstruction."

Japan: NFP Team Endorses Outline of Proposed Security Law

OW2802044496 Tokyo KYODO in English 0403 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — A working group from the major opposition Shinshinto (New Frontier Party [NFP]) drafting a planned security law endorsed a proposal Wednesday [28 February] to allow Japanese troops to join multinational armed forces acting under a United Nations mandate and to permit use of force as members of U.N. peacekeeping missions.

The group also accepted other proposals made personally last week by team leader Shozo Azuma, party officials said.

Azuma has proposed changing interpretation of portions of Japan's pacifist postwar Constitution to permit Japanese self-defense forces troops to exercise the right to collective self-defense as part of U.N.-mandated peacekeeping forces. The Constitution bans the "threat or use of force as means of settling international disputes."

Azuma has argued that participation in military alliances is also constitutional but noted he wants collective defense to be strictly regulated in the planned law and wants to ensure that the Diet has a say if the government makes such a decision.

Japan needs a security law because "there must be a basis for a new security policy that brings out in concrete the spirit of the Constitution with regard to international cooperation," Azuma said.

Japan: Brazilian President Backs Tokyo's UNSC Seat

OW2802042896 Tokyo Nikkei Telecom Database in Japanese 28 Feb 96

[By Yoshihiro Hirata; from NIHON KEIZAI SHIMBUN 27 February Evening Edition]

[FBIS Translated Text] Brasilia, 26 Feb — Brazilian President Fernando Henrique Cardoso, who will be visiting Japan from 12 March, met Japanese reporters at the presidential palace in Brasilia on 26 February.

Cardoso indicated that Brazil and Japan should coordinate closely on the reform of the UN Security Council [UNSC], and confirmed Brazil's stand to support Japan's permanent UNSC membership. He also expressed expectations for investments by Japanese companies in the "new Brazil," which has achieved progress in liberalizing the economy and controlling inflation.

Cardoso clearly stated his support for Japan's UNSC seat "with veto power." He indicated that Brazil also hopes to become a permanent member of the UNSC as a representative of Latin America, and sought the understanding of the Japanese Government and its neighboring countries.

The president said: "I am visiting Japan precisely because there has been a halt in Japanese investments in Brazil." He stated that the inflation rate, which was over 1,000 percent in 1993, is estimated at 0.5 percent monthly in February 1996.

Japan: Fishermen Seek Establishment of Exclusive Zone

OW2802044296 Tokyo KYODO in English 0414 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — Fishermen from across Japan held a rally in Tokyo on Wednesday [28 February] seeking an early establishment of a 200-nautical mile exclusive economic zone.

The rally, organized jointly by the National Federation of Fisheries Cooperative Associations and the Japan Fisheries Association, was attended by about 6,000 people, including representatives of local fishery groups and some Diet members.

After the rally, the participants will parade in a demonstration against the foreign and fisheries ministries with fishermen's feasting flags.

Prime Minister Ryutaro Hashimoto's cabinet approved Feb. 20 a plan to establish the exclusive economic zone under the U.N. Convention on the Law of the Sea.

But the government failed to clarify the time of a conclusion of new fishery agreements with China and South Korea because of a degenerating territorial row with South Korea and protests from China, only saying, "(a conclusion to the issue should come) within a reasonable period."

Japanese fishermen, who have been enraged at overfishing and fishery damage caused by South Korean fishing boats in waters around Japan, are requesting the government to set a definite deadline for the fishery talks.

Japan MOFA Officials on Hashimoto-Kim Meeting at ASEM

OW2802092296 Tokyo KYODO in English 0905 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — - Prime Minister Ryutaro Hashimoto will confer with South Korean President Kim Yong-sam in Bangkok on Saturday [2 March] while attending the first summit of Asian and European leaders, despite the resurfacing of a bilateral territorial row, Ministry of Foreign Affairs [MOFA] officials said Wednesday.

The meeting of the two men — the first since Hashimoto came to power in mid-January — will come after the two-day Asia-Europe Meeting (ASEM) wraps up, the officials said.

The bilateral session was arranged just one day before Hashimoto's departure for Bangkok as Japan and South Korea have been at odds over sovereignty over a group of islets in the Sea of Japan.

"A top-level meeting is necessary because friendly relations between Japan and South Korea must be maintained all the time," a senior ministry official said.

"Caution should be exercised to ensure one particular issue will not poison overall friendly bilateral ties," the official said, alluding to the escalation of tensions resulting from the dispute.

An old animosity over the tiny islets, known as Takeshima in Japan and Tokto in South Korea, has resurfaced recently as both countries announced their intention to declare a 200-nautical mile exclusive economic zone off their coasts that would encompass the rocky outcrop.

Tokyo hopes to resolve squabbles over fishing rights with Seoul, which would arise from ratification of the UN Convention on the law of the Sea, separately from the vexing issue of sovereignty.

A high-ranking Foreign Ministry official expressed hope the two countries can enter fishing negotiations as quickly as possible, saying Seoul has been positive toward Tokyo's recent overtures for such talks.

Hashimoto will leave for Bangkok on Thursday to attend the inaugural ASEM gathering. He will also hold separate talks with leaders of China, France, Germany, Britain and Thailand on the sidelines of the multilateral summit.

Japan: Kajiyama Says Hashimoto-Kim Meeting in Bangkok Possible

OW2802044096 Tokyo KYODO in English 0400 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — Prime Minister Ryutaro Hashimoto may hold a bilateral meeting with South Korean President Kim Yong-sam in Bangkok during a summit of Asian and European leaders this weekend, a top government spokesman suggested Wednesday [28 February].

There is a possibility Hashimoto might meet Kim because the Asian and European leaders will gather in a small conference hall, Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

Kajiyama told some reporters after the press conference that he has heard from a nongovernment source that there is a possibility of a Hashimoto-Kim meeting taking place.

Prospects of the meeting have become dim because of recently strained bilateral ties stemming from a territorial row over islets in the Sea of Japan, called Takeshima in Japan and Tokto in South Korea.

Tokyo May Play 'Active' Role in ASEM Dialogue

OW2802020496 Tokyo KYODO in English 0123 GMT 28 Feb 96

[By Takehiko Kajita]

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — Japan will endeavor to play an "active" role in helping enhance cooperative relations between Asia and Europe at a landmark summit of leaders of the two regions in

Bangkok this weekend, according to Foreign Ministry Spokesman Hiroshi Hashimoto.

"Japan is far ahead of other Asian nations in the depth of dialogue and the closeness of cooperative relationship with Europe," Hashimoto said in an interview with KYODO news. "I am pretty sure that we will be able to pitch in at this kind of meeting in an active manner."

But he hastily noted that Japan will seek to support other Asian countries' initiatives, rather than try to play a prominent role itself, in its efforts to contribute to the success of the inaugural Asia-Europe Meeting (ASEM).

Hashimoto portrayed the ASEM gathering set for Friday and Saturday as "historic and epoch-making," saying the summit will be conducive to reinforcing the weak leg of a tripolar world consisting of Asia, Europe and the United States.

The spokesman also maintained that ASEM will serve as a key regional cooperation forum that supplements multilateral mechanisms such as the United Nations and the World Trade Organization (WTO) in the post-Cold War era.

As to the fruits likely to be harvested at the summit, Hashimoto pointed to a possible agreement on actions to follow up initiatives to be launched in Bangkok.

Specifically, Hashimoto expressed the hope that measures will be taken to flesh out and embody items included in a chairman's statement to be issued at the close of the two-day parley.

A decision on the timing and venue of the second gathering would be a major achievement of the inaugural session, said the career diplomat, citing the need to continue holding such talks in the future and to give more shape to ASEM. Britain has already offered to host a second meeting in the first half of 1998.

As an area of priority for Japan at the Bangkok summit, he pointed to the need for more active cooperation by European countries with the Korean Peninsula Energy Development Organization (KEDO), which is responsible for containing North Korea's alleged push for nuclear arms.

Hashimoto also voiced the hope that the leaders' opinions would converge on conclusion this year of the proposed comprehensive test ban treaty aimed at bringing an end to all nuclear weapons experiments, as well as ways to boost trade and investment between Asia and Europe, and the importance of mutual cooperation in tackling economic development of poor countries and other global issues.

He brushed aside the possibility of human rights, labor standards and other sensitive issues being raised at the upcoming parley, saying, "the 26 leaders do not want the meeting to touch on potentially divisive issues but to explore a constructive and cooperative relationship."

For the future, Hashimoto said ASEM will not evolve into an institutionalized grouping like the 18-member Asia-Pacific Economic Cooperation (APEC) forum but remain "a looser forum for cooperation than APEC."

He played down the absence of the U.S., the third force in the tripolar world, contending that Washington is not worried about ASEM but welcomes it as a favorable move to deepen dialogue between Asia and Europe, both of which already have close ties with the U.S.

Japan: Hashimoto May Ask PRC's 'Self-Restraint' Over Taiwan

OW2802102096 Tokyo KYODO in English 0946 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — - Prime Minister Ryutaro Hashimoto said Wednesday [28 February] he wants to ask China for "self-restraint" so as not to increase tensions with Taiwan if he has a chance to so during a summit of Asian and European leaders Friday and Saturday in Bangkok.

"We do not think there is an urgent situation in the Taiwan Strait, but tensions there are not favorable for peace and stability in East Asia," Hashimoto said in an interview with KYODO news.

Hashimoto discussed Beijing-Taipei relations in a summit with U.S. President Bill Clinton over the weekend, but the premier said Japan would make the request on its own.

He said Japan will not change its stance on territories disputed with China, South Korea and Russia, but will nevertheless seek for good relations with these countries.

For example, he said Tokyo supports reform drives in China and Russia despite respective territorial disputes over the Senkaku Islands in the East China Sea, called Diaoyu Islands in China, and the so-called "northern territories" off Japan's main northern island of Hokkaido.

Japan has made and will continue to make efforts for rapport with South Korea despite disputes over a group of islets in the Sea of Japan, called Takeshima in Japan and Tokto in South Korea, he said.

The Bangkok summit will be an occasion for Asian and European leaders to gather and discuss a wide range of issues, including politics, security, economy, intellectual exchange and culture, he said.

The premier expressed hope that Japan will play a role in encouraging Asian and European participants to commonly pursue such global problems as environment, food and population.

Leaders of the seven member countries of the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — plus China, Japan and South Korea — and the 15-nation European Union (EU) will attend the summit.

Hashimoto reiterated that he does not intend to freeze or amend the government scheme to use at least 685 billion yen in taxpayers' money to liquidate seven failed housing loan companies.

Tokyo 'Concerned' About Tension Across Taiwan Strait

OW2802050096 Tokyo ASAHI SHIMBUN in Japanese 24 Feb 96 Morning Edition p 2

[FBIS Translated Text] The Japanese Government is concerned with the growing tension between China and Taiwan. For example, in connection with Taiwan's presidential election announced on 24 February, China may possibly launch military exercises. The deterioration of the China-Taiwan relationship may become a factor that will lead to instability in Asia as a whole. If the United States should make moves to support Taiwan, and as an "allied nation," Japan should be asked to provide cooperation, it might impose a serious influence on the Japan-U.S. security arrangement or the issue on U.S. military bases in Okinawa. The Japanese government observes that for the time being, "there is a very small possibility that a military tension may develop in the China-Taiwan relationship," (as stated by a senior official of the Ministry of Foreign Affairs [MOFA].) However, the government is very nervous about the results of the presidential election and moves by China and Taiwan following the election.

In connection with "emergencies" in East Asia, tension was heightened once during the Hosokawa administration because of suspected nuclear arms development by the DPRK (North Korea). At that time, the government made a study on how Japan could cooperate in case the United States made moves to impose economic sanctions and ask for Japan's logistical support.

Regarding current China-Taiwan relations, if the tension across the Taiwan strait should become intensified, there is a possibility that U.S. troops may be directly dispatched from U.S. bases in Japan. According to the Japan-U.S. Security Treaty, in cases when military bases could be used for operational actions in "the Far East," prior consultations must be held between the Japanese and U.S. governments. A strong opinion voiced within the government indicates that "no rejection could be made in cases of emergency," but that "the most important question lies in how to cooperate with the U.S. military," (as stated by a senior MOFA official).

On the other hand, it has been pointed out (by a MOFA source) that "North Korea with which we have no diplomatic relations should not be confused with China with which we maintain a friendly relationship," and that "we should not easily approve of actions taken by the U.S. military." In this connection, Japan will be asked to make a very difficult choice between its relations with China and its relationship with the United States. Japan places the greatest importance on its relationship with the United States.

It has been voiced within both the MOFA and Defense Agency [DA] that "it would be a nightmare if a military conflict should develop between China and Taiwan, and if the U.S. troops should be dispatched, or if Japan should be asked to provide cooperation." In striving to settle the issue on reducing U.S. military bases on Okinawa to pave the way for the Japan-U.S. summit talks scheduled for April, the government is also concerned that "if tension should become intensified between China and Taiwan, it might be voiced that we could not afford to think about either realignment or reduction," (as stated by a senior executive of the Liberal Democratic Party [LDP]).

However, according to a government analysis of the current situation, it is generally acknowledged that "China has merely stated in its appeal that Taiwan's independence would not be allowed," and that "the situation will be restored sooner or later," (as stated by a senior MOFA official). From the military standpoint, it is observed that "most of the Chinese army's equipment is old-fashioned, and its offensive capability is limited," (as stated by a senior DA official).

Japan: Official Says PLA's Military Capability Limited

OW2502105696 Tokyo SANKEI SHIMBUN in Japanese 22 Feb 96 Evening Edition p 2

[FBIS Translated Text] On 22 February, Counselor Hiroharu Koike of the Defense Agency said the capability of the PRC's People's Liberation Army [PLA] for offensive operations on Taiwan is limited.

Speaking at the upper house foreign affairs committee in response to a question by the Liberal Democratic Party's Keizo Takemi, Koike stated: "In pure assessment of military capability, the PLA is large in scale, but, in quality, it does not have much modern equipment. Landing craft are necessary to carry out a landing operation (on Taiwan), but the PLA does not have many full-size landing craft. Therefore, its transportation capability in landing operations is very limited." This was the first time a Japanese Government official has referred to the PLA's offensive capability.

Japan: Bank Signs Loan Agreement With Bank of China

OW2802075196 Tokyo KYODO in English 0656 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — The Export-Import Bank of Japan signed an agreement with the Bank of China on Wednesday [28 February] to extend 82.3 billion yen in loans to help finance industrial projects there, the bank said.

The projects targeted for the loans include those on picture tube and chemical fiber plants, the bank said.

The Bank of China is one of China's biggest state-owned banks, with its total deposits amounting to 1,074.9 billion yuan (about 12.9 trillion yen).

Tokyo Studying Crisis-Management Scenario on DPRK

OW2802020296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Feb 96 Morning Edition p 2

[FBIS Translated Text] The Japanese Government is expressing growing concern over the unclear situation in the DPRK (North Korea). The economic crisis has become serious in the country due to structural food and energy shortage. The leadership's "control power" has shown a clear "sign of weakening." For example, there were a series of defection cases and the intruding and shooting incident in Pyongyang, the capital city [in which a North Korean sergeant killed guards when he forced into the Russian Embassy compound]. The Japanese Government has now begun to take the view that the "North Korea regime has entered a medium-to-long term stage of collapse." The government has begun behind-the-scenes work on restudying a "crisis management scenario" intended for emergency cases in North Korea. The scenario, formulated in the summer of 1994, has been put under seal.

Regarding the North Korean situation, a senior official at the Ministry of Foreign Affairs [MOFA] asserted that "it is safe to bet that something has occurred in North Korea." As clearly indicated by the defection of Secretary Kim Chong-il's former wife to a Western country, many "privileged-class" people in North Korea, including senior members of the Workers' Party of Korea [WPK] and family members of top government officials, have recently fled from the country. This "situation would be unthinkable before" in North Korea where the people are under a strict monitoring and control system, such as called the "iron control" system.

Although more than 18 months have passed since the death of the President Kim Il-song, Kim Chong-il has yet to take over the two posts — state president and WPK general secretary. In this connection, the MOFA analyzes: "The realities are that even if he wants to assume office, he cannot because of seriously-aggravated economic conditions." The MOFA is increasingly saying that although Kim Chong-il has virtually succeeded to power, his power "foundation is not solid."

Since North Korea still maintains 1,000,000 ground troops, some officials are concerned about a possible "headlong rush [boso] of the military in the midst of confusion following collapse of the regime," (as stated by a senior Defense Agency official). Given the situation, the government has unofficially been studying measures to deal with emergency cases in North Korea since the beginning of the year.

In actual fact, the government secretly formulated a scenario for handling a crisis on the Korean peninsula from the spring through summer of 1994, when tension was growing over North Korea's suspected development of nuclear weapons. It was discussing wide- ranging issues, including the suspension of remittances from Korean residents in Japan to North Korea and the ideal way of the Self- Defense Forces' logistical support for the U.S. forces in case the latter were dispatched to the peninsula. However, because the North Korea's nuclear issue took a turn for a solution with the U.S.-DPRK agreement, the government's scenario has been "put under seal."

The scenario formulated as of 1994 stipulated how Japan should act on the premise that North Korea ignores a UN Security Council resolution and Japan, the United States, and South Korea impose economic sanctions on the country. However, because the current scenario is based on a "natural collapse of the North Korean regime," there are many unexpected factors such as the North Korean military's moves and the refugee issue. It is also difficult to predict how China will react. For this reason, the government is expected to face difficulties in working out the scenario.

Japan: Kubo Stresses Need To Reform Finance Ministry

OW2602043896 Tokyo KYODO in English 0356 GMT 26 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 26 KYODO — Finance Minister Wataru Kubo on Monday [26 February] stressed the need to press ahead with far-reaching reforms of the finance ministry to make it assume responsibility for leaving seven housing loan companies insolvent.

"The responsibility of the Finance Ministry as the competent authority is heavy," Kubo told the House of Representatives Budget Committee's special session on the government's scheme to liquidate the virtually bankrupt housing loan firms.

Kubo said the government will seek more of the burden of liquidation of the housing loan firms to be shared by the commercial banks that founded the firms, showing dissatisfaction with those banks which have suggested settling the issue by merely giving up their loans to the loan firms, known as "jusen."

"I have repeatedly urged the founder commercial banks to take social responsibility because they cannot get away with the problem merely by abandoning their loans," Kubo said.

Kubo said, however, the government of Prime Minister Ryutaro Hashimoto will go ahead with the scheme to use 685 billion yen of taxpayers' money to help write off debts incurred by jusen.

The government's scheme, Hashimoto said, has already served to stabilize the financial system since the details of the plan were revealed late last year.

The coalition comprising the Liberal Democratic Party (LDP) led by Hashimoto, the Social Democratic Party and New Party Sakigake has clashed in the Diet with the opposition Shinshinto (New Frontier Party) and the Japanese Communist Party over the liquidation scheme.

The coalition is seeking a passage of the fiscal 1996 budget including the expenditure of 685 billion yen as early as around March 5, but the opposition parties have demanded the portion pertaining to the loan firms be omitted from the budget.

To reduce public anger over the use of taxpayers' money to liquidate the failed housing loan firms, the coalition is reportedly considering increasing the contribution from the loan firms' founder banks to cover 1.2 trillion yen in future losses resulting from write-offs of the loan companies' bad loans.

But the coalition has been adamant in its intention to use the taxpayers' money to resolve the housing loan firm issue, saying the scheme to dispose of those firms is important to prop up the sluggish economy.

Kubo said at the lower house session, "We Are considering whether there is any way to have the founder banks take responsibility by shouldering burden beyond relinquishing all of their loans" to the insolvent housing lenders.

The remark is taken to indicate that the government is exploring ways to have the founders assume greater financial burden in a second phase of the liquidation scheme that focuses on the recovery of problem loans shifted to a new vehicle after the housing lenders' liquidation.

Under the government scheme, the founder banks are requested to give up all of their claims worth 3.5 trillion yen. The sum is part of 6.41 trillion yen to be written off as initial losses involved in the liquidation of the seven ailing housing loan companies.

Kubo sounded negative about a proposed tax on the disposal of bad loans as a way to have the founder banks shoulder a greater burden, saying, "I think it is difficult."

The proposal was made by the Liberal Democratic Party (LDP), the largest force in the tripartite ruling coalition, and is opposed by the founder banks.

Kubo also said strict steps should be given to borrowers from the mortgage companies if they are found to have committed any illegal acts.

"We will pursue any possible measures against those who have done unlawful acts," Kubo said.

Japan: Banks Urged To Bear 'Further Costs' of 'Jusen' Bailout

OW2702053296 Tokyo KYODO in English
0218 GMT 27 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 27 KYODO — Finance Minister Wataru Kubo said Tuesday [27 February] banks that founded seven troubled housing loan companies should clarify their responsibility and shoulder further costs in the liquidation of the companies, known as "jusen."

"The founder banks should first admit their responsibility in the issue and clarify how to take the blame," Kubo said at a press conference.

"The banks should then consider what role they can play (to clean up the bad loan mess), taking into account their financial positions," kubo said.

If the government proposes talks with the founder banks on the possible shouldering of further costs, they should sit at the negotiating table, he said.

Kubo reiterated it is wrong for the founder banks to think that they have accepted all their responsibility for the housing loan fiasco by deciding to give up all their loans to the mortgage companies.

The seven mortgage loan companies, which are saddled with huge problem loans, will be liquidated with help of taxpayers' money under a government-brokered scheme.

Amid strong public anger at the use of taxpayers' money, there are growing calls in the ruling coalition parties for the founder banks to shoulder further costs for the settlement of the housing loan fiasco.

Japan: Kubo Urges 'Jusen' Founders To Shoulder More Burden

OW2802043896 Tokyo KYODO in English 0350 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — Finance Minister Wataru Kubo on Wednesday [28 February] urged the founding banks of seven moribund mortgage firms or "jusen" to shoulder a greater burden in liquidating them.

"This is not an issue that can be confined to that of responsibility as lenders (to the mortgage firms). It's important (for the founding banks) not only to give up their claims (on loans to those firms) but also to feel more responsibility and make further decisions," Kubo told the House of Representatives Budget Committee.

He also rejected opposition calls for the use of bankruptcy proceedings in winding up the mortgage companies, saying such a measure would take too much time and force agricultural financial institutions to share a costly burden beyond their financial capability.

Under a controversial government scheme, the founding banks are to abandon claims on all of some 3.5 trillion yen in outstanding loans to the housing loan firms.

The scheme calls on the government to spend 685 billion yen in taxpayers' money to help soak up losses resulting from the liquidation of the firms.

The scheme has come under fire from the general public and opposition parties for being drafted before the matter of responsibility is settled.

Japan: Coalition Heads Agree To Keep 'Jusen' Plan Intact

OW2702140996 Tokyo KYODO in English 1342 GMT 27 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 27 KYODO — The heads of the three ruling coalition parties agreed to maintain intact the government plan to liquidate seven failed housing loan companies with public funds, coalition officials said Tuesday [27 February].

The leaders of the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake also decided to pass the budget bills through the Diet by the end of the current fiscal year which ends March 31, the officials said.

Prime Minister Ryutaro Hashimoto, who heads the LDP, will meet opposition leaders Wednesday afternoon to seek their support to pass the budget bills for the next fiscal year starting in April.

Hashimoto will talk with Ichiro Ozawa, who heads Shinshinto (New Frontier Party), and Japanese Communist Party chief Tetsuzo Fuwa to seek their cooperation in passing the fiscal 1996 budget through the House of Representatives, which Hashimoto wants to do in early March.

The focus of the talks will be the opposition's demands that the money the government intends to earmark in the budget for helping liquidate the mortgage firms be removed from the budget bills.

Hashimoto will seek to find out how the opposition parties will react in the Diet if the ruling coalition rejects, as expected, their demands on the housing loan issue, coalition sources said.

Shinshinto has drafted a counterproposal to the government's plan to use taxpayers' money to help liquidate the specialized lending institutions known as "jusen."

The Shinshinto proposal, approved by its leadership the same day, calls for removing from the fiscal 1996 budget the 685 billion yen the government has earmarked for the liquidation plan.

The government plan to use taxpayers' money to help clean up the mortgage firms' financial mess has met with strong criticism from the public and the opposition.

Japan: Ozawa Rejects Hashimoto's 'Jusen' Plan Request

OW2802104396 Tokyo KYODO in English 1016 GMT 28 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 28 KYODO — - The leader of the main opposition party Shinshinto (New Frontier Party), Ichiro Ozawa, on Wednesday [28 February] spurned Prime Minister Ryutaro Hashimoto's request for support of the government plan to use taxpayers' money to liquidate failed seven housing loan companies, government officials said.

In a meeting at the prime minister's official residence, Ozawa reiterated Shinshinto's demand that the government liquidate the firms without using taxpayers' money, the officials said.

The opposition leader said his party has a "completely different political stance" toward the issue from the government's plan, according to the officials.

He refused to lend backing to the controversial government scheme to spend 685 billion yen in the fiscal 1996 budget for liquidating the jusen.

Ozawa did not support Hashimoto's argument that the government plan is the only viable formula for solving the problems in a reasonable time and easing concerns in international markets about the Japanese financial system.

"You have failed to convince me," Ozawa was quoted as saying to Hashimoto.

"We will handle the Diet debates over the issue with sincerity, but we are wide apart," Ozawa reportedly said, adding he is open to meetings at any time over any issue.

Shinshinto has drafted a counterproposal to the government's scheme that does not require the use of public funds.

Hashimoto also met with Japanese Communist Party Chief Tetsuzo Fuwa to court his support for the jusen program.

"We cannot come up with a better idea no matter how much more we think about it," Hashimoto told Fuwa.

The focus of the talks concerned opposition demands on removing the funds earmarked in the budget for the liquidation plan.

Hashimoto, who heads the Liberal Democratic Party (LDP), met opposition leaders to seek their support to pass budget bills for the next fiscal year starting in April.

The government and the ruling coalition hope to pass the fiscal 1996 budget through the House of Representatives in early March.

The ruling coalition of the LDP, the Social Democratic Party, headed by former Prime Minister Tomiichi Murayama, and the New Party Sakigake, led by former Finance Minister Masayoshi Takemura, have already agreed to keep the jusen plan intact despite the strong opposition.

Japan: MOF Controversy May Affect Central Bank

OW2802042996 Tokyo SHUKAN DAIYAMONDO in Japanese 2 Mar 96 P 15

[From the "Business Inside" column: "Bank of Japan's Panic-Stricken 'Combat Readiness' in Face of Abrupt Proposal To Disband Finance Ministry"]

[FBIS Translated Text] In connection with the problem of failed jusen housing loan firms and how to deal with it, a proposal to either divide or disband the Ministry of Finance [MOF] came up all of sudden among the ruling coalition parties. On the part of the coalition parties the idea seems to be a clever move to dodge the brunt of the outrage of the people. But the most restless one is none other than the Bank of Japan which is seriously concerned about the possible development of the proposed dissolution of the Finance Ministry.

It is not a bad story for the Bank of Japan that the power of the Finance Ministry is weakened by organizational dissolution. But the truth is that the Bank of Japan is very fearful because, as one senior bank officer confided, "The matter is not so simple and the Bank of Japan may lose all its authority and power, if things go wrong unluckily."

The documented agreement compiled by the ruling coalition parties on 16 February made it clear that a committee on Finance Ministry reforms and a project team will be established and a basic policy will be worked out during the current Diet session. Among the subjects to be examined in a concrete manner was the distinct mentioning of "reviewing the way the Bank of Japan should be," in addition to such matters as planned establishment of a "Monetary Agency" and a "Revenue Agency," the problem of doing away with bureaucrats' practice of "amakudari" [retired government officials assigned to lucretive post in special corporations] and so on.

For the Bank of Japan, an unexpected calamity has befallen it. Although the reform plans of the coalition parties are basically designed to review the Finance Ministry-led practice of supervision and inspection on monetary administration and private monetary institutions, senior officials in charge of ruling parties' policy determinedly said, "Whatever direction the discussion goes, it is unavoidable that they will proceed to the subject of organizational reforms involving the Bank of Japan."

On top of that, influential Finance Ministry veterans began lobbying that "an inspection of the Bank of Japan should be considered at the same time, if the function of inspecting banks is going to be taken away from the ministry." Thus some among the ruling coalition parties anticipate that discussions on monetary policies might be extended to the extent of amendments to the law covering the Bank of Japan, according to circumstances.

Until recently, the Bank of Japan took things easy on the matter that "Finance Ministry reforms are talks on the remote future." But it is panic-stricken as confided by a senior bank officer that "it has never imagined the surfacing of proposal to make amendments to the law covering the Bank of Japan, and therefore it is completely not ready to cope with the situation by organization nor by human resources."

Although moves to set up a study team are gathering force at last, defeatism is overflowing in the bank that "the bank is going to be shot down when it goes to battle without any strategy." Indeed, the bank is quite at home in making forecasts.

Japan: FTC Chief's Retirement To Lead to 'Speculation'

OW2802053996 Tokyo EKONOMISUTO in Japanese 27 Feb 96 P 24

[From the "News Focus" column]

[FBIS Translated Text] Masami Kogayu, chairman of the Fair Trade Commission [FTC], is creating a stir and speculation by making his intention clear to resign his post.

It all started with a proposal to "extend the age limit of the FTC chairman and its members" as part of measures to consolidate FTC functions. The Social Democratic Party [SDP] in the year-end meeting of the ruling parties' project team on administrative reform proposed to extend the present age limit of 65-years-old to 70 for the purpose of "broadening the possible choices for FTC chairman." Designed to step up competition in concert with the policy to strengthen the FTC's structure and organization, the proposal was incorporated in policy agreements by the tripartite ruling parties.

By this proposal, however, Chairman Kogayu, who reaches the age limit of 65 in August this year, was thrown into a delicate situation. Kogayu is a big-shot Finance Ministry veteran who served as its administrative vice minister. The FTC has been regarded as a "Finance Ministry sanctuary," by having had nine Finance Ministry veterans out of 14 successive chairmen so far. Thus, the proposed age-limit extension plan tends to be seen as a means to make it easier for the FTC to have influential Finance Ministry veterans as its chairman.

As a matter of fact, the Finance Ministry is under heavy criticism against its practice of "amakudari" [a malpractice in which veteran bureaucrats are given high-level jobs in industry after retirement] in connection with the jusen controversy and is facing difficulty in recommending a candidate for the FTC post, although it wants to have continued influence over the FTC with an amendment to Article 9 of the law concerning prohibition of private monopoly and maintenance of fair trade pending. A rumor was said to have spread in Nagata-cho in late January that the "Finance Ministry was contemplating reappointing Kogayu by taking advantage of the age limit extension plan" and that some ruling party politicians began to raise opposing voices.

On top of that, the proposed amendment to the antimonopoly law was in a deadlock due to opposition by the SDP. Thus, the FTC, which lacks in political maneuvering means and techniques, is in a predicament.

But the SDP's fury originated from the fact that the FTC is tightly connected with the LDP and has not made enough of the necessary prearrangements with the SDP in proposing the amendment. Some speculate that the SDP is bashing the FTC, which is not fully accustomed to the "grammar" [practices] of Nagata-cho, on grounds other than differences in policy. In fact, those related to the SDP's commerce and industry committee made their resolute stand clear that "the amendment would not be passed unless the LDP and the FTC are forced to lose face," thus making the prospects for the amendment proposal dim.

In the background of Chairman Kogayu's renewed announcement of his intention to resign lies a political judgment to appease the SDP's anger at the amendment to the antimonopoly law by mitigating the impression that the Finance Ministry had monopolized the post of the FTC chairman and at the same time his resigning from that post.

According to an official connected to the FTC, "Chairman Kogayu had been resolutely determined from the beginning to resign when he reached the age of 65." The extremely bad timing of the age-limit extension proposal has caused a great deal of speculation and the FTC has been unfortunate with regard to this and other occasions.

A well-informed source points to "those who took advantage by forcibly connecting the appointment of the FTC chairman to such hot issues in Nagata-cho as jusen, criticism against the Finance Ministry, the proposed amendment to the antimonopoly law and so on."

Only when the successor is someone other than a Finance Ministry veteran, can the FTC be freed from the perennial "control by the Finance Ministry." If the expressed resignation of the present FTC chairman can be used as a "human sacrifice" for the purpose of passing the amendment to the antimonopoly law, the FTC may emerge as the winner who benefited the most.

Japan: STA Likely To Begin GPS Satellite Development Independently

OW2802043796 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Feb 96 Morning Edition p 17

[FBIS Translated Text] The Science and Technology Agency [STA] and the National Space Development Agency of Japan [NASDA] will start an independent development of a satellite for the Global Positioning System (GPS) that has been widely used for operating the car-navigation system, observing crustal deformation, and other purposes. Since the present GPS operation depends on U.S. military satellites, there is a possibility that Japan will be asked to pay for using them in future. Moreover, the GPS operation has been limited in terms of observation precision. The agencies plan to launch a test satellite around 2000 to build up Japan's technology in this area, aiming at putting it to practical use while limiting its use to peaceful purposes.

According to the program, four satellites for testing the GPS will be developed first and launched around 2000 to demonstrate positioning technology. Then, operational satellites will be produced and sent into orbit hopefully by 2005. Efforts will also be made to study a proposal of developing satellites that possess other functions such as communications in addition to the positioning function.

NASDA is likely to be in charge of developing GPS satellites. However, the Ministry of International Trade and Industry has also indicated its intention to join in the development project. Therefore, the New Energy Development Organization (NEDO) and the Unmanned Satellite Experimental System Research and Development Foundation (USEF) may possibly become candidates to become the agencies in charge of the project. An idea for working out a joint international development project in cooperation with European nations has also been brought up, thus coordination will probably be promoted in the Space Activities Commission [advisory organ to the prime minister] and other agencies.

The mechanism of the current GPS satellites is as follows: six orbits covering the earth from the above are set up; the United States has sent four satellites into each of these orbits; and radio waves transmitted from each satellite can be used from anywhere on the earth.

The United States has promised that these satellites can be used free of charge up to 2005: however, it is most likely that users will be asked to pay after that.

Originally, the precision allows an error of several centimeters. However, when put into operation for nonmilitary purposes, the degree of precision has been downgraded by expanding the range of possible errors. By developing domestically-produced satellites, such a restriction will no longer be necessary in operation.

The scale of the market for terminal devices for car-navigation systems has already exceeded 45 billion yen annually. Moreover, the Geographical Survey Institute [of Ministry of Construction] has just started working out a plan for constant use of GPS satellites to observe crustal deformation in promoting seismic research. It is observed that such positioning technology will become very important in the future. Therefore, the agencies have decided to study the promotion of an independent satellite development.

Japan: Changes in Keidanren's Relations With LDP Outlined

OW2802003396 Tokyo EKONOMISUTO in Japanese 5 Mar 96 Issue

[Unattributed article: "Business World — Politicians and Businessmen Launch Informal Talks For Mending Relations with the Liberal Democratic Party"]

[FBIS Translated Text] The business world has started to move toward mending its "cold relations" [tsumetai kankei] with the Liberal Democratic Party [LDP] on the occasion of the inauguration of the administration of Prime Minister Ryutaro Hashimoto, the first administration headed by an LDP president in two-and-a-half years.

However, the business world, which expects further regrouping of political parties in the near future, has put up a "two-options policy," keeping itself at equal distances from the LDP and the New Frontier Party [NFP]. On the other hand, the LDP is trying to force the business world to make a choice, asking whether it plans "to entrust Japan's future to the LDP or to hold high expectations for NFP." In this way, there seems to be a wide gap between the business world and the LDP, and the cooled relations between the two groups are unlikely to thaw out easily.

Amidst this situation, Hirotaro Higuchi (chairman of Asahi Breweries), vice chairman of the Federation of Economic Organizations of Japan [Keidanren], who appeared as a guest at a recent NFP convention, boldly said: "Keidanren's visions and NFP's policies revolve around the same axis." This remark promptly aroused the LDP, whose irritation was mounting as it learned that major construction companies and labor unions of major firms affiliated with Keidanren threw their support behind Ichiro Ozawa in the NFP presidential election held late last year. The LDP is claiming that "the business world is leaning toward the NFP."

Amidst the current political turmoil in which some critics even argue that the Diet should be dissolved over the ongoing jusen issue, LDP Secretary General Koichi Kato plans to force Keidanren to go through a "loyalty test," saying: "The single-seat constituency system is an electoral system that will make it necessary [for Keidanren] to make a clear choice."

Startled at the situation, Keidanren Chairman Shoichiro Toyoda (chairman of Toyota Motor Corporation) went around explaining that "Keidanren and NFP's policies are different." At the same time, he launched a plan to hold discussions more frequently with ruling coalition party leaders, especially LDP leaders, by forming a panel to hold "Informal Talks on Politics and Economics," which consists of Keidanren's vice chairmen and the chairmen of the organization's major committees. The panel started convening in late January.

Once a week, the panel members gather in Keidanren's special guest room early in the morning and talk about policy affairs, over breakfast sandwiches. Keidanren invited Taku Yamasaki, chairman of LDP Policy Research Council, to the panel's first meeting, Junichiro Koizumi, former minister of Posts and Telecommunications, to the second meeting, and Hiromu Nonaka, acting LDP secretary general, to the third meeting to appear as guests. Panel members exchanged views with these new-generation LDP leaders, who are also considered anti-Keidanren. Since the meetings began with panel members and the guests exchanging name cards and said "Nice to meet you," it seems that the gap between the LDP and Keidanren leaders has grown wider than it was supposed.

North Korea

DPRK: Arrival of U.S. Aircraft Carrier Called Threat to North

SK2802052096 Pyongyang KCNA in English 0442 GMT 28 Feb 96

["NODONG SINMUN on Independence's Entry Into S. Korean Port" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — The aircraft carrier Independence belonging to the Seventh Fleet of the U.S. Pacific Command recently arrived in Pusan port, South Korea.

Commenting on the fact, NODONG SINMUN today says its portcall was aimed at rendering the situation of the Korean peninsula extremely strained, presenting military threat to the North of Korea and breathing new life into the South Korean puppets, who are finding themselves in an appalling slough.

The paper further says:

The U.S. bellicose elements, still prompted by the anachronistic hostile policy towards Korea, have sent to South Korea aggressive forces including the latest-type carrier, threatening the Democratic People's Republic of Korea. This is an undisguised perfidy and challenge to the DPRK.

The South Korean puppets have invited U.S. aggressive forces such as independence, a nuclear-powered submarine and B-1 strategic bomber to South Korea, while driving the situation to the brink of war by staging large-scale military manoeuvres against the North with outside forces or by themselves.

We are watching with heightened revolutionary vigilance the dangerous military manoeuvres they have staged with U.S. bellicose forces. We make it clear again that we want peace, but we never beg for it. If the U.S. military and the South Korean warmaniacs construe the DPRK's consistent peaceloving policy, good faith, magnanimity and patience otherwise, it is a serious mistake.

They must see the situation clearly and stop running riot.

DPRK Commentary Condemns Visit of U.S. Aircraft Carrier

SK2702151696 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 27 Feb 96

[Commentary by Yun Pyong-son: "Why Did the Aircraft Carrier Come?"]

[FBIS Translated Text] While the situation on the Korean Peninsula remains tense, the aircraft carrier Independence, affiliated with the U.S. Seventh Fleet and which is loaded with many carrier-borne aircraft, warship-to-air missiles, and warship-to- warship missiles, arrived at Pusan Port on 24 February. For the highly notorious U.S. imperialist aircraft carrier to arrive in South Korea at a time in which South Korea is running around the Korean Peninsula carrying out war exercises, is not simply a periodic yearly visit or for tourism. This is a planned maneuver to all the more lead the situation on the Korean Peninsula to the brink of war.

The maneuver by the U.S. imperialist warmongers to stir up the hornets' nest of a new war on the Korean Peninsula is being all the more recklessly committed this year. As has already been reported, under the pretext of being under threat from someone they dragged in the nuclear-powered aircraft carrier and the latest style strategic bomber, a B-1, and opened them up to the public in South Korea. They are also handing over to the puppets large quantities of war equipment, including tanks, planes, and missiles.

In addition, they are dragging into South Korea up-to-date war equipment from the U.S. mainland and its overseas bases, and are crazily carrying out war exercises to invade the North along with the puppets. The U.S. imperialist warmongers are even planning to train the division-level commanders of the puppet army by dragging them to the U.S. mainland in March.

Under such active instigation by the U.S. imperialists, the Kim Yong-sam ring is all the more heated up in the war maneuver opposing us. Even recently the puppets formed a large-scale formation unit using the main planes of the puppet Air Force and committed a war exercise, infiltrating them to the target area in semi-altitude and making a concentrated attack. They made a show of it by saying that this manifested some kind of operational capability, and so on.

Such very dangerous war adventures by the U.S. imperialists and the South Korean puppets are being carried out every day, and because of this a dangerous touch-and-go situation in which war may break out at any moment is being created on the Korean Peninsula.

It is precisely at this time that the U.S. imperialists' aircraft carrier has arrived at Pusan Port. This is indeed a dangerous military move which cannot by any means be overlooked. What cannot but be all the more closely noticed is the fact that this aircraft carrier arrived in South Korea right after we announced a new proposal for a peace mechanism on the Korean Peninsula.

As is already known, we put forward an expanded proposal [chongaedoen chean] for the establishment of a new peace mechanism. That is, we proposed that the DPRK and the United States: sign a tentative agreement [chamjong hyopchong] as the minimum systematic device [choesohanui chedojok changchi] for preventing an armed conflict and war on the Korean Peninsula; form and operate a DPRK- U.S. joint military body [chomi kongdong kunsa kigu] that replaces the Military Armistice Commission; and hold negotiations with us to this end.

Our proposal has won great support and sympathy from people at home and abroad. Challenging this peace-loving proposal, the U.S. imperialists pushed their aircraft carrier into South Korea. This is a very alarming act [maeu simsangchi anun haengdong] that plainly shows their bellicose nature. Everyone can figure out why the U.S. imperialists' aircraft carrier has crawled into South Korea.

The Kim Yong-sam ring, which has engaged in nation-selling, treachery, fascist suppression, irregularities, and cheating ever since it assumed power, now faces the greatest crisis. Furthermore, since traitor Kim Yong-sam's real shape as an accomplice in the slush fund scandal and as a party who contributed to the Kwangju massacre has been revealed, people are denouncing and protesting against him and calling for his overthrow. The Kim Yong-sam ring's fate is in pressing danger, and his ruin is near at hand.

Whenever the South Korean people's anti-U.S. and anti-government struggle has been amplified to create a serious crisis in the system of colonial rule, the U.S. imperialists have threatened the people with armed force and exercised their influence over the puppets. This is a stereotyped measure used by the U.S. imperialists. The U.S. imperialists have pushed their aircraft carrier into South Korea because they want to maintain their colonial rule over South Korea by exercising their influence over the puppets, who are pawing the air after being driven into a corner, and to arouse them to finally provoke a new war on the Korean Peninsula.

The U.S. imperialists' anachronistic war maneuver that runs counter to the people's aspirations and desires is arousing strong protest and denunciation from people at home and abroad. The U.S. imperialist warmongers should be well aware of the possible aftermath resulting from their act of increasing tension by arousing the Kim Yong-sam clique, human dregs and betrayers of the nation, to North-South confrontation, and should behave themselves more discreetly.

DPRK: Japan-U.S. Air Forces Conduct Exercises Over Kyushu

SK2702112296 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 23 Feb 96

[FBIS Translated Text] According to a report, the Japan Air Self Defense Forces and the U.S. Air Force in Japan on 19 February launched a joint military exercise in the skies above Northeast Kyushu.

In this exercise, Air Self Defense Force units stationed at Yutabaru base in Miyazaki Prefecture and at Tsuigi base in Fukuoka Prefecture, U.S. Air Force units stationed at Mizawa base in Aomori Prefecture and Kadena base in Okinawa Prefecture, and approximately 90 fighters of both countries are being mobilized.

The Japanese and U.S. Air Force units mobilized in this exercise are fiercely waging tactical training in the aerial war and airlift operational training.

It has been learned that the exercise will continue until 2 March.

DPRK: Hashimoto on Rectification of Japan-DPRK Relations

SK2802004996 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 27 Feb 96

[FBIS Translated Text] Japanese Prime Minister Ryutaro Hashimoto mentioned the issue of normalizing relations between the DPRK and Japan yesterday [27 February] at a House of Representatives' Budget Committee session to deliberate foreign policy and security issues.

He stated that the abnormal relations between Japan and the DPRK which have continued since the end of the World War II should be rectified.

DPRK: Japanese Foreign Minister Sees Japan-DPRK Resuming Talks

SK2802010896 Pyongyang Korean Central Broadcasting Network in Korean 2101 GMT 27 Feb 96

[FBIS Translated Text] On 21 February, Japanese Foreign Minister Yukihiko Ikeda referred to the issue of resuming talks to normalize diplomatic relations between the DPRK and Japan before the Foreign Affairs Committee of the Japanese House of Representatives.

He stated: Once the talks to normalize diplomatic relations between Japan and the DPRK begin, Japan will have its own ideas of how the contents of the talks should be handled, but the negotiation itself should be held as soon as possible.

DPRK: Japan's Murayama Urges End to Abnormal DPRK Relations

SK2802030496 Pyongyang KCNA in English 0254 GMT 28 Feb 96

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — Former Prime Minister of Japan Tomiichi Murayama, leader of the Japan Social Democratic Party, referred to the issue of improving Japan-DPRK relations when he met with members of the Federation of Korean Traders and Industrialists in Japan on February 26.

He called for putting an end to the abnormal relations between Japan and the DPRK.

He said that he would make strenuous efforts for this end.

Pointing out that it is necessary to promptly solve the abnormal relations between Japan and the DPRK and establish friendly relations between them, he stressed: Although the Japan Social Democratic Party changed its name, there will be no change in its relations with the Workers' Party of Korea.

DPRK: Kim Yong-sam's Remarks at 25 Feb News Conference Criticized

SK2802063296 Pyongyang KCNA in English 0438 GMT 28 Feb 96

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — The traitor Kim Yong-sam on February 25 called a press conference to mark three years of his office, at which he slandered the DPRK and prattled that he would "consolidate the system" and "create a foundation for peaceful unification" in the remaining days of his office, according to a report.

By the "system" of South Korea, Kim Yong-sam meant the colonial fascist ruling system which is backed by outside forces. Accordingly, it is not worth discussion.

His talk about "consolidating the ruling system to cope with the provocation by the North" reveals his political ignorance and stupidity.

It is not due to the non-existent "provocation by the North" but the impotence of the traitor Kim Yong-sam that the "civilian"-veiled ruling system of South Korea is shaking to its very foundation and the crisis of the "government" is worsening day by day.

South Korean people from all walks of life are waging a daring struggle to square accounts with the Kim Yong-sam group.

Facts irrefutably prove that the traitor Kim Yong-sam raised "provocation by the North" which will not work on anyone, in a bid to bridge over the extreme crisis of "government" and prolong the term of his office.

As for the "peaceful unification" talked about by Kim Yong-sam, who is not in the least interested in the peace of the country and its peaceful reunification, it is nothing but a jargon to conceal his true color as the traitor to the nation and warmaniac.

The Kim Yong-sam group answered the DPRK's realistic proposal for the Koreans in the North, the South and overseas to make this a "year of peace and great national unity" with concerted efforts, with North-targeted war exercises and military confrontation. This fact alone is enough to show that they are engrossed in "unification by prevailing over communism" by force of arms rather than the peaceful reunification of the country.

The Kim Yong-sam group must step down from power without delay as demanded by the South Korean people, instead of making foolish attempts to bridge over the serious "government" crisis.

DPRK: Students Vow To Intensify 'Antigovernment' Struggle

SK2802064296 Pyongyang KCNA in English 0440 GMT 28 Feb 96

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — The South Korean federation of university student councils declared that it would conduct an organised struggle against the "government" with the approach of the "election to the national assemblymen," a Seoul- based radio reported.

Chairmen and executive committee members of student councils of more than 150 universities and colleges under the federation held a meeting of its central committee at Yonsei University on February 25 and set March 27 as a day of all-out struggle demanding the opening to the public of "presidential election" support funds and securing educational finance.

They vowed to intensify the anti-"government" struggle.

DPRK: CPRF Criticizes Kim Yong-sam Group for Continuing 'War Exercises'

SK2802035596 Pyongyang KCNA in English 0250 GMT 28 Feb 96

["Traitorous Kim Yong-sam Group Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued information No. 703 on February 27 denouncing the traitorous Kim Yong-sam group for continuing frantic war exercises every day, shunning the peace efforts of the DPRK.

In February, the Kim Yong-sam group has frantically staged war exercises against the DPRK under the pretext of coping with the "military threat from the North", bringing the situation to the brink of war, the information said, and continued:

In the reckless war drills, the South Korean puppets seek a foolish design to aggravate the tensions and thus stave off the worst crisis of "government" caused by the secret fund scandal and bring under control the dangerous situation caused by the moves opposing and rejecting the "New Korea Party" increasing with the approach of the election to the puppet National Assemblymen.

Their scheme to find a way out in threatening South Korean people at the point of the bayonet and in the war provocation against the DPRK is nothing but a last-ditch effort of those who are on the verge of death.

The traitorous Kim Yong-sam group must know clearly that if they continue war games in answer to the peace efforts of the DPRK, they will pay dearly for this.

DPRK: 60th Anniversary of Kim Il-song-Led Meeting on Chuche Noted

SK2702111296 Pyongyang KCNA in English 1007 GMT 27 Feb 96

[FBIS Transcribed Text] Pyongyang, February 27 (KCNA) — The Great Leader President Kim Il-song organised a historic meeting of the military and political cadres of the Korean People's Revolutionary Army at Xiaojia Shihe in Nanhutou on February [words indistinct] during the anti-Japanese armed struggle. At the meeting he put forward new strategical policies reflecting the stand on chuche maintained by the Korean communists.

Papers here today dedicate articles to the 60th anniversary of the meeting. In his reminiscences "With the Century" he said with deep emotion that the Nanhutou meeting was, in a nutshell, the first to establish chuche in the history of the Korean communist movement and the anti-Japanese national-liberation struggle.

The meeting fully demonstrated the chuche character of the Korean revolution.

In the highly important report "the tasks of communists in the strengthening and development of the anti-Japanese national- liberation struggle" made at the meeting, he said as follows:

"The masters of the Korean revolution are none other than the Korean communists. Today, it depends entirely on us whether or not our people's anti-Japanese national-liberation struggle is stepped up.

"We must have a deep sense of responsibility for the Korean revolution, apply ourselves to this revolution, and advance the anti-Japanese national-liberation struggle in our country to a higher stage."

He highlighted the need to shift the main force of the Korean People's Revolutionary Army to the border areas and gradually extend the theatre of struggle into the homeland. He advanced new strategical policies, including those of establishing new guerrilla bases around Mt. Paektu, expanding and developing the movement of the National United Front Movement and making vigorous, nationwide preparations for building a party.

The meeting defined the strategical policies as a line of struggle. It proved successful in that the strategical policies, the banner of the Korean revolution, laid down at the meeting paid off in practice.

The red flag of the revolution put up by the president in Nanhutou is flying high in our van and it is associated with the unshakable revolutionary faith and will of the Great Leader Comrade Kim Chong-il to accomplish the revolutionary cause of chuche, stresses NODONG SINMUN.

DPRK: Kim Chong-il Receives Greetings From Foreign State, Party Leaders

SK2702053796 Pyongyang KCNA in English 0400 GMT 27 Feb 96

[All names of foreign party leaders as received]

[FBIS Transcribed Text] Pyongyang, February 27 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from Kenyan President Daniel T. Arap Moi, Lebanese President Ilyas al-Hirawi, and Zairean President Mobutu Sese Seko Kuku Ngbendu Wa Za Banga on the occasion of his birthday.

Messages of greetings came to him from foreign party leaders on the occasion of his birthday.

They came from Chea Sim, president of the Central Committee of the People's Party of Cambodia; H.S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); Chitta Bash, general secretary of the Central Committee of the All- India Forward Bloc; Petar Velickovic, chairman of the Socialist Workers' Party of Yugoslavia; Ratko Krsmanovic, president of the National Committee of the League of Communists-Movement for Yugoslavia; Miroslav Stepan, general secretary of the Central Committee of the Czechoslovak Party of Communists; S.I. Kalyakin, first secretary of the Central Committee of the Party of Communists of Belarus; Miroslav Grevenicek, chairman of the Central Committee of the Czechy-Morava Communist Party; Timo Lahdenmaki, chairman, and Heikki Mannikko, general secretary, of the for Peace and Socialism- the Communist Workers' Party of Finland [as received]; Huudu Yahaya, general secretary of the National Democratic Congress of Ghana; Kwesi Pratt, general secretary of the Popular Party for Democracy and Development of Ghana; Eduardo Mora Valverde, coordinator of the Central Committee of the People's Party of Costa Rica; Inaam Raad, chairman of the Nationalist Socialist Party of Syria in Lebanon, Milud al Mahdabi, general secretary of the Permanent Secretariat of the Organisation of Socialists in the Mediterranean; and Boualem Benhamouda, general secretary of the Central Committee of the Algerian National Liberation Front.

The messages extended warmest greetings to Comrade Kim Chong-il on the occasion of his birthday and wished him a long life in good health.

They expressed the belief that the friendly and cooperative relations between their countries and Korea, their parties and the Workers' Party of Korea would grow stronger and develop.

He also received messages of greetings from nine leaders of political parties including Jermano Luis Pascoal, chairman of the Angolan Unity Party for Democracy and Progress, and the Central Committee of the Communist Party of Moldova on the occasion of his birthday.

DPRK: Italian Socialist Praises DPRK'S Struggle for Socialism

SK2402085296 Pyongyang KCNA in English 0843 GMT 24 Feb 96

[FBIS Transcribed Text] Pyongyang, February 24 (KCNA) — Korea's socialism is the beacon of future for all parties and people struggling for socialism, stressed Luigi di Cesare [spelling of name as received], member of the secretariat of the Struggle for Peace and Socialism of Italy, in an interview held here before his returning home.

He said:

The Korean people are firmly defending socialism under the leadership of the Workers' Party of Korea [WPK] and socialism is vigorously advancing in Korea.

They are upholding the great leader Comrade Kim Il-song forever, learning from his glorious revolutionary history and carrying it forward down through generations.

The Korean people and young men, whom we saw today when socialism suffered setbacks in some countries, are believing and following only the WPK and vigorously braving any manoeuvrings of the imperialists.

They are united in one mind around the WPK, which is found nowhere in the world.

Noting socialism is growing stronger in Korea, he said they could hardly repress their admiration at the high degree of organization, discipline and the might of unity of the Korean people and youths.

Referring to the visit to Pyongyang, he said what they found in Korea is ideal socialism.

Children of Korea, who bring their talents into full play to their heart's content with no worry thanks to the benefits of the state, are really happy, he said.

Noting the Korean people's desire for reunification is very high, he stressed that they will realize the country's reunification without fail.

He expressed the belief that socialism will advance dynamically in Korea under the leadership of the great leader Comrade Kim Chong- il.

DPRK: Russian, Indian Groups Denounce ROK Nuclear Plant Plans

SK2402083796 Pyongyang KCNA in English 0828 GMT 24 Feb 96

[FBIS Transcribed Text] Pyongyang, February 24 (KCNA) — The South Korean authorities' scheme to build nuclear facilities was denounced by the Russian Association for Friendship and Cultural Cooperation With the Democratic People's Republic of Korea and D.P. Maheshwari [spelling of name as received], chairman of the Indian Federation for World Cooperation and Cultural Relations.

The Russian association in a statement Feb. 14 said the South Korean authorities are now planning to build a large-scale nuclear base including nuclear power stations and a nuclear waste depository in Kosong, South Korean Kangwon Province.

"They are the group who do anything even contrary to the national interest if it is to curry favor with their master across the ocean," the statement said.

"We add our voice to the DPRK's protest against the anti-national and anti-popular acts of the South Korean authorities who pay no regard to defending the destiny and the future of the nation and protecting the nature of the country," it added.

The chairman of the Indian federation in a press statement Feb. 8 urged the South Korean ruling quarters to respect the international law on protecting ecological environment and withdraw, at once, the criminal plan to build a large-scale nuclear base near the Military Demarcation Line.

The press statement appealed to governments, political parties, organizations and personages all over the world, who love peace, to conduct an international campaign to check the traitorous Kim Yong- sam clique's move to build dangerous nuclear facilities.

DPRK: Pyongyang Citizens Welcome ROK Defector

SK2702113796 Pyongyang KCNA in English 1057 GMT 27 Feb 96

[FBIS Transcribed Text] Pyongyang, February 27 (KCNA) — Pyongyangites met today to welcome Chong Un-yong, who defected to the DPRK.

Chong was a section chief of the Iri City Committee of the "Democratic Liberal Party" in South Korea.

At the meeting, he was awarded an order of the DPRK and a prize and given a souvenir.

In a welcome speech, Sin An-pang, vice-chairman of the Pyongyang administrative and economic committee, sincerely hoped for a bright future of the defector, who had looked for a new life.

Sin expressed his belief that Chong would be loyal and devoted to the great General Kim Chong-il, who warmly embraced him.

In his reply speech, Chong said he defected to the north from South Korean society because he wanted to live a worthy life in the socialist society under the people-centred politics of the Great General Kim Chong-il.

"The South Korean people have never had a person who devotedly works for the country and the people as their 'president.' This is their greatest misfortune," he said. "South Korea has turned into a society of thieves because such a notorious thief as Kim Yong-sam is hell-bent on money-making at 'Chongwadae.'"

The people in South Korea must punish Kim Yong-sam, the root cause of sufferings and misfortunes, the defector said, adding that they are courageously fighting against Kim Yong-sam.

"Seeing the wonderful situation in the North, I could understand why the people in the North trust and follow General Kim Chong-il as their god," he said. "I will always remember his great favors and uphold and follow him forever."

DPRK: International Demand for DPRK's Magnesia Clinker Increasing

SK2402083496 Pyongyang KCNA in English 0824 GMT 24 Feb 96

[FBIS Transcribed Text] Pyongyang, February 24 (KCNA) — Demand for the magnesia clinker of Korea is steadily growing in many countries.

Korea is the world's top producer of magnesia clinker.

Magnesite ore is abundant in various parts of the country.

Its reserves and quality top the list in the world.

Korea's magnesite has a low content of silicic acid (SI O2) and a high proportion of magnesium oxide (MG O), which are available for making high-quality fire-proof material without ore-dressing.

Its typical producer is Tanchon area in South Hamgyong Province.

Located in the area are the Taehung General Mining Enterprise, the nation's mainstay in the production of magnesite, and the Yongyang Mine which is known as "white gold mountain".

The area boasts of reserves of billions of tons of magnesite ore and has a very favourable mining condition.

And the magnesite processing bases have been firmly built in Tanchon, Kim Chaek, Chongjin and other areas, which turn out quantities of high-quality fire-proof material.

The state is continuously increasing investments in the field.

DPRK: 50th Anniversary of Federation of Korean Traders in Japan Hailed

SK2802063096 Pyongyang KCNA in English 0446 GMT 28 Feb 96

["NODONG SINMUN Hails 50th Anniversary of FKTIJ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — NODONG SINMUN hails the 50th anniversary of the Federation of Korean Traders and Industrialists in Japan [FKTIJ].

The people in the homeland highly praise the Korean traders and industrialists in Japan who have built their organizations wherever there are Koreans, braving difficult circumstances of the alien land, and invariably devoting conscience and sincerity to the patriotic work for the homeland and the nation, and extend heartfelt congratulations and cordial compatriotic greetings to them, says the paper in an editorial article.

The article recalls that the federation, over the past 50 years since its foundation, has traversed a proud road of struggle for defending the Japan-resident Koreans' rights to business and existence and for attaining the prosperity of the socialist homeland and national reunification, under the wise leadership and loving care of the great leader Comrade Kim Il-song.

To have patriotic Korean traders and industrialists in Japan is a great pride of our nation, it stresses.

The people in the homeland firmly believe that the federation and the Japan-resident Korean traders and industrialists will, in the future, too, as in the past, further invigorate their activities, united in one mind around the great leader Comrade Kim Chong-il, to register fresh success in performing patriotic tasks of the General Association of Korean Residents in Japan (Chongnyon), the article says.

DPRK: Korean Social Democratic Party Holds Plenary Meeeting

SK2802034896 Pyongyang KCNA in English 0246 GMT 28 Feb 96

[FBIS Transcribed Text] Pyongyang, February 28 (KCNA) — A plenary meeting of the Central Committee of the Korean Social Democratic Party [KSDP] took place in Pyongyang on February 27.

It discussed the immediate task to preserve peace on the Korean peninsula and achieve great national unity and an organisational matter.

Kim Pyong-sik, chairman of the Central Committee of the KSDP, delivered a report on the first agenda item, which was followed by speeches.

The reporter and speakers said that the proposal of the political parties and organisations in the DPRK to make this a "year of peace and great national unity" is a patriotic and timely one which reflects the requirement of the obtaining situation and the desire of the whole nation to prevent the danger of war created owing to the war and confrontation moves of the South Korean rulers, preserve peace and open a new phase of reunification based on confederacy through great national unity. They fully supported and approved this.

Turning to the tasks of the KSDP for this year, the plenary meeting declared that the KSDP would consistently maintain as the three major programmes of national reunification the three principles of national reunification — independence, peaceful reunification and great national unity — "ten-point programme of the great unity of the whole nation for the reunification of the country" and the proposal for founding the Democratic Confederal Republic of Koryo, which were advanced by the respected President Kim Il-song, and that it would put them into effect.

At present, the KSDP will direct efforts to arousing international concern by widely introducing the serious situation obtaining on the Korean peninsula and the proposal of the joint meeting of the political parties and organisations in the DPRK to the socialist international and social democratic parties of all countries and, at the same time, to building up international support and solidarity for the Korean people in their efforts for preserving peace on the Korean peninsula and for the abolition of the "national security law" in South Korea, the meeting stressed.

It adopted a relevant decision on this matter and discussed an organisational issue.

DPRK: Advantages of Communist, Collectivist Morality Extolled

SK2402084496 Pyongyang KCNA in English 0839 GMT 24 Feb 96

["Communist Morality Is Collectivist Morality" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 24 (KCNA) — NODONG SINMUN today carries a signed article headlined "Communist Morality Is Collectivist Morality".

This means morality which regards the demands and interests of the social collective as more precious than the interests of individuals, the article says, and goes on:

Communist morality gives priority to the requirements and interests of the social collective which has become a socio-political organism. To regard it as noble moral actions to devotedly struggle for society and the collective, helping and leading each other forward on the basis of revolutionary comradeship and obligation, instead of seeking personal pleasure, not thinking of others—this is the communist, collectivist outlook on morality.

The advantage of communist morality is, first of all, that it makes it possible to correctly combine and settle the questions of strengthening unity of the collective and displaying independence of individuals.

The communist, collectivist outlook on morality makes the people give full play to a high sense of devotion and mass heroism for the development and prosperity of the collective and makes love and trust come into bloom in the whole society because it regards it as the noblest moral action to devote oneself to society and the collective while trusting and loving each other.

Communist morality based on collectivism regards it as the highest moral action to defend the interests of the social collective. Therefore, individual character, aspiration, wisdom and talent come into full bloom under the care of the party and the leader, the representative of the collective, and on the basis of comradely love and cooperation among the members of society.

The advantage of communist morality is also that it becomes a powerful weapon for integrity of humanity, mental and moral integrity in that it trains people to be beautiful and noble in mind.

Love for and trust in people is the basis of genuine relations of people and human morality. To think of others more than oneself and devote oneself to society and the collective is a noble moral obligation of people.

Communist morality makes one deeply love one's comrades and the people with noble humanity and devotedly struggle only for the people and their independence, not for personal gain and fame.

South Korea

ROK: Documents Indicate U.S. Assent to Kwangju Repression

SK2802072696 Seoul YONHAP in English 0534 GMT 28 Feb 96

[FBIS Transcribed Text] Washington, Feb. 27 (YONHAP) — The U.S. Government approved plans by former South Korean President Chon Tu-hwan to use military units against pro-democracy demonstrators in Kwangju in May 1980, the JOURNAL OF COMMERCE reported Tuesday quoting newly declassified U.S. Government documents.

The U.S. paper said that top officials in the Carter administration knew of the new Korean military elite's plan to suppress the civil demonstration and that U.S. assurances to Chon were made by former American Ambassador to Korea William Gleysteen.

JOURNAL OF COMMERCE reporter Tim Shorrock quoted a declassified secret document dated May 8, 1980 from the U.S. State Department that was obtained under the freedom of information act.

In a special feature story about the Kwangju uprising entitled "U.S. Knew of South Korean Crackdown," the journal reported that on May 22, 1980, in the midst of the Kwangju uprising, the Carter administration approved further use of force to retake the city and agreed to provide short-term support if Chon agreed to long-term political change.

At a White House meeting the same day, plans were also discussed for direct U.S. intervention if the situation got out of hand, according to Shorrock.

Secretary of State Edmund Murskie, Deputy Secretary of State Warren Christopher, Assistant Secretary of State for East Asian and Pacific Affairs Richard Holbrooke, National Security Advisor Brzezinski Zbigniew, Defense Secretary Harold Brown, Chairman of Joint Chief of Staff David Johns and Central Intelligence Agency Director Stansfield Turner attended the meeting, according to the journal.

Quoting declassified documents from the State Department and the U.S. Defense Intelligence Agency, the journal said that Christopher and Holbrook played leading role in determining American policy in connection with the South Korean incident at that time.

It went on to say that U.S. officials in Washington and Seoul knew Chon's contingency plans included the deployment of Korean special warfare command troops, trained to fight behind the lines in a war against North Korea.

The documents indicated that the U.S. assurances to Mr. Chon were approved by Mr. Christopher and delivered May 9 by William Gleysteen, who was then U.S. ambassador to Seoul, the report said.

Gleysteen was quoted as having cabled the State Department on May 7, 1980, "In none of our discussions will we in any way suggest that the U.S. Government opposes South Korean Government's contingency plans to maintain law and order. If absolutely necessary, by reinforcing the police with the Army."

Christopher cabled back the next day and agreed that there should be no opposition to the South Korean military's contingency plans to maintain law and order, and added that Gleysteen should remind the Korean leaders of the danger of escalation if law enforcement responsibilities were not carried out with care and restraint, the journal said.

In an urgent telegram dated May 8 from Amb. Glysteen in Seoul to the State Department in Washington, it was reported that "you should also take note of a number of embassy cables being dispatched today, including conversations with Kim Chong-pil and others. I will have further thoughts on this uncomfortable situation after my meeting with Chon Tu-hwan tomorrow morning and a meeting with Blue House (Chongwadae) [presidential offices] Chief Secretary Choe Kwang-su at his request tomorrow afternoon."

The ambassador said, however, that "in none of our discussions will we in any way suggest that the U.S. Government oppose Korean government's contingency plans to maintain law and order, if absolutely necessary by reinforcing the police with the Army."

Meanwhile, the U.S. State Department officials said there is no additional documents on Kwangju incidents other than the U.S. Government statement which was made public in 1989.

The American Government delivered a 32-page document entitled "the U.S. Government Statement on Various Incidents That Occurred in Kwangju in May 1980."

The U.S. Government, Gleysteen and then U.S. Forces Korea Commander John Wickham have so far consistently asserted that the United States was not directly involved in the Kwangju incident.

ROK: Comments of Ex-U.S. Envoy on U.S. Role in Kwangju Incident

SK2802090096 Seoul YONHAP in English 0837 GMT 28 Feb 96

[FBIS Transcribed Text] Washington, Feb. 28 (YONHAP) — Former U.S. Ambassador to South Korea William Gleysteen admitted Tuesday that he exchanged secret telegrams with the U.S. State Department on the 1980 democracy movement in Kwangju, but maintained that Washington reacted to the matter at the time in a proper manner.

The former diplomat, who was ambassador at the time of the brutal crackdown on May 18, 1980, made the remarks in a telephone interview at his Manhattan home regarding a Journal of Commerce report. It said that Washington would not oppose plans by then Maj. Gen. Chon Tu-hwan to use military force against pro-democracy demonstrators in Kwangju.

Glysteen indicated that he would write a book and reveal everything he knows about the incident within the next few years.

The U.S. Government, he claimed, had a negative attitude toward the new South Korean military elite, beginning with President Pak Chong-hui's assassination and the ensuing military coup d'etat in 1979, which continued until after the bloody crackdown in Kwangju in May 1980.

Nevertheless, he continued, the media only provided fragmentary highlights of the incidents, which left the public with a distorted impression that contradicted the actual situation.

For example, he cited the strong action taken by then U.S. Forces Korea Commander Gen. John Wickham against the new military elite's insurrection in 1979.

Referring to the secret telegram exchanged between Seoul and Washington, Gleysteen pointed out that the media's quotation of the document was taken "out of context."

Although Washington officials, including Warren Christopher and Richard Holbrooke, were roundly criticized by the press for their policy decisions at the time, officials of the Jimmy Carter administration performed their duties very properly, he emphasized.

Gleysteen also stressed that the white paper sent to Seoul by the U.S. Government in 1989 regarding Washington's position on the Kwangju incident was accurate.

ROK: Kim Chong-il's Ex-Wife Reportedly Seeking Asylum in U.S.

SK2802053696 Seoul KYONGHYANG SINMUN in Korean 28 Feb 96 p 1

[Report by Washington-based correspondent Pak In-kyu]

[FBIS Translated Text] It was learned on 27 February that Song Hye-rim, Kim Chong-il's former wife, and her family moved to the United States last week and that they are now in the process of taking procedures for asylum there.

On 27 February, a diplomatic source in Washington disclosed that "Song and her family are now negotiating matters regarding their asylum with the U.S. Government."

This source explained: "Song Hye-rim and her family arrived in the United States in secret and they are now under investigation by the U.S. Government concerning their request for asylum."

The source added that "the U.S. Government will decide whether to accept their request for asylum or not once the current investigation is finished and all the legal procedures, including the examination of their request for asylum, are concluded."

The source stressed, however, that the U.S. Government will do its utmost as far as normal procedures are concerned, including reviewing their request for asylum and the granting of citizenship to them, as Song and her family are seeking asylum in the United States.

The source stated that they are in good health and stay in a safe place.

The source added that "Song Hye-rim is receiving medical treatment for her high-blood pressure and diabetes, but her health problems are not so serious."

ROK, U.S. Troops To Participate in Maneuvers in Texas 2-8 Mar

SK2702025496 Seoul YONHAP in English 0246 GMT 27 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 27 (YONHAP) — Three hundred Korean and American soldiers will participate in a maneuver March 2-8 with the U.S. Third Corps in Texas, the USFK [United States Forces Korea] said Tuesday.

The war fighting exercise is geared toward improving war deterrence and combined defensive prowess to enhance readiness in the event of armed conflict on the Korean peninsula, as well as allowing commanders and staff to practice operational procedures.

The drill will be conducted under the direction of Deputy Commander Chang Sung of the Combined Forces Command.

ROK: U.S. Auto Group To Use ROK Statistics for Korean Auto Market

SK2702080996 Seoul YONHAP in English 0555 GMT 27 Feb 96

["Business Briefs" — YONHAP headline]

[FBIS Transcribed Excerpt] Seoul, Feb. 27 (YONHAP) — [passage omitted] — Controversies arising from variations in statistics between U.S. and South Korean automakers are likely to subside since the American Automobile Manufacturers Association (AAMA) has decided to use Korean statistics for the Korean auto market from now on.

The Korea Foreign Trade Association (KFTA) said that its Washington trade center reported Monday that the AAMA notified the center last Friday that it will use the statistics compiled by the Korea Automobile Manufacturers Association (KAMA) in the future.

The U.S.-based organization also requested that KFTA provide KAMA with statistics on a monthly basis, a KFTA official said.

The official explained that the AAMA's decision came after the KFTA's strongly protested erroneous statements made on Jan. 18 by AAMA chairman Andrew Card, who insisted that there was a significant decline in U.S. auto sales in Korea last year, while quoting incorrect AAMA figures.

At that time, Card harshly criticized the Korean automobile market for being closed, and alleged that fewer than 2,000 American cars were sold in 1995, 20 percent less than the previous year.

The KFTA refuted the AAMA chairman's absurd allegation by citing the Korea Customs Administration's data, which indicated that 3,378 of U.S. cars were sold in Korea during the first 11 months of last year, a 36.8 percent increase from the previous year.

The AAMA chairman accepted the KFTA's refutation and apologized for depending entirely on statistics presented by the AAMA, and promised to utilize KAMA figures in the future, the official explained.

The KFTA also offered to work with the AAMA to prevent feuds arising from statistical differences between the two countries, the official noted.

— The cumulative trade deficit with Japan in the last three decades has surpassed a 100 billion U.S. dollars, and shows no signs of improvement.

The Customs Administration said Monday that South Korea suffered a combined trade deficit of 109.85 billion dollars on a customs clearance basis between 1965, when Seoul and Tokyo normalized dipolmatic ties, and 1995.

The figure is almost double the country's aggregate trade deficit of 56.43 billion dollars, which has been generated during the same period, administration officials said.

It is worth noting that the more the country's exports increased, the more the nation's trade deficit with Japan grew.

South Korea's cumulative trade losses grew from 13.48 billion dollars between 1980-1984 to 21.6 billion dollars between 1985-1989, and 42.88 billion dollars between 1990-1994. In 1995, the country experienced a 15.55-billion-dollar trade loss with Japan.

The officials explained that such snowballing deficits can be attributed to an increase in the nation's capital good imports, including machinery and transportation equipment that has been required to expand facilities as the nation's economy has grown. [passage omitted]

ROK Institute Reports 442 Abducted South Koreans Held in DPRK

SK2502092496 Seoul YONHAP in English 0919 GMT 25 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 25 (YONHAP) — North Korea still holds 442 of the 3,738 South Koreans who have been taken to the North by force or otherwise since 1955, according to a report on the communist country's human rights situation published by the National Unification Research Institute.

Those abducted to the North include 3,662 fishermen, 51 airplane passengers and crew members, 20 navy sailors and five others, and 3,296 of these people have been repatriated to the South.

Among those still held in the North are 407 fishermen, 20 navy sailors, 12 Korean air passengers and crew members and three others — Ko Sang-mun taken to Pyongyang from Norway in 1978, Yi Chae-hwan whisked away from Austria to North Korea in 1987 and Rev. An Sung-un abducted to the North from China last year.

The communist country is estimated to have set up five to 20 labor camps chiefly in its northern part to intern some 200,000 political prisoners, the report said.

These prisoners suffer from inhumane torture, resulting in tens to hundreds of deaths a year at each camp.

On North Korean loggers working in Siberia, the report said the number has decreased from 15,000 to 5,000, because of an exodus of escapees due to inhumane treatment. Hundreds of these escapees have applied for defection to South Korea through its diplomatic missions in the former Soviet Union and other countries, it added.

ROK: International Red Cross To Stop Flood Relief Aid for DPRK

SK2502232096 (Internet) The Joong-Ang Ilbo WWW in English 26 Feb 96

[FBIS Transcribed Text] The Korean Red Cross Corporation (KRCC) announced on February 25 that the International Red Cross has decided to stop the second round of emergency relief assistance for the 130,000 North Koreans suffering from severe flood damage. A KRCC official stated that "the International Red Cross has announced that it is putting a stop to the second round of plans to assist flood-affected North Korea. The end to the relief measures was requested by North Korean authorities."

ROK: Japan Demands Bigger Role in DPRK LWR Project

SK2802013196 Seoul THE KOREA HERALD in English 28 Feb 96 p 2

[Report by staff reporter Kim Kyong-ho]

[FBIS Transcribed Text] South Korea is facing an increasing demand from Japan that it supply core parts of the North Korean light-water reactor [LWR] project, which may threaten Seoul's much- trumpeted central role in the project.

South Korean and Japanese officials met in Tokyo last December on Japan's demand to specify the scope of its participation in the reactor project.

They are scheduled to resume the talks in Seoul early next month.

During the Tokyo meeting, Japan requested its role be specified before a commercial contract for the project is signed later this year.

Under an earlier agreement by its three key members—South Korea, the United States and Japan—an international consortium to finance the project is set to designate the Korea Electric Power Corp. (KEPCO), South Korea's state-run utility monopoly, as the prime contractor.

A local newspaper reported Japan demanded at the meeting it be allowed to take part in manufacturing key components of the reactor power plant to be built in North Korea.

The key parts proposed for Japanese participation included a turbine, generator and nuclear steam supply system, the report said.

South Korean officials have said they are ready to award a portion of the reactor project to Japanese companies whose scope they say will depend on Japan's financial contribution.

"We need to dispel Japan's suspicion that South Korea may shut it out in carrying out the project," said an official at South Korea's planning agency for the reactor project.

He said it would be natural not to provide equal treatment to a participant, say, with a 10 percent equity and another with a 1 percent stake.

"We are ready to offer a proper portion to Japan although it will not be in an exact proportion to its financial contribution," he said.

But what South Korea is prepared to allocate for Japan is apparently falling short of Japan's demand.

South Korea reportedly suggested Japan take part in the auxiliary equipment supply or engineering work.

Seoul officials are concerned that Japan's share in key components of the reactor plant would weaken its role and make it difficult to call the plant a "South Korean standard model."

The problem for them is Japan is too big a financial contributor to the project to reject all of its demands for greater participation in core parts of the project.

Japan has said it will put up a "significant" part of the reactor cost estimated at $4.5 billion.

No official figures have been given to Japan's burden but observers see that it will surpass a quarter of the total cost.

Japan paid $2.8 million as part of the cost for the operation of the Korean Peninsula Energy Development Organization (KEDO) and $3 million to finance the four surveys of the reactor site in the North last year.

Tokyo also promised to pay $19 million to help finance part of the 500,000 tons of fuel oil to be shipped to North Korea this year under a 1994 nuclear accord between Washington and Pyongyang.

South Korea, which has pledged to burden the lion's share of the reactor cost, has so far contributed a mere $1.8 million to the KEDO as part of its operation cost. A South Korean official said last week South Korea plans to pay $6 million to finance future surveys of the reactor site on the eastern coast of North Korea.

An official at the reactor planning agency said South Korea will seek a compromise with Japan. He said, however, that the proposed compromise must not change the original design and the role of the prime contractor.

He said further technical discussions are needed to work out details on the scope of Japan's participation in the reactor project.

Most observers here see little possibility Japan will threaten to veto KEPCO as the prime contractor to push through its demand.

But they say disagreement over Japan's role may delay the conclusion of the commercial contract and thus hamper smooth implementation of the reactor project.

ROK: Japanese Government Believes DPRK 'on Verge of Collapse'

SK2802063996 Seoul CHOSON ILBO in Korean 28 Feb 96 p 2

[Report by Yi Hyok-sin from Tokyo]

[FBIS Translated Text] Japan's NIHON KEIZAI SHIMBUN reported on 27 February that the Japanese Government believes that North Korea is on the verge of collapse and, accordingly, is reviewing the measures against a possible collapse.

NIHON KEIZAI SHIMBUN reported that the Japanese Government is closely watching the developments in North Korea as incidents which were unthinkable in the past have become frequent. The Japanese Government's move to review the measures resulted from the deepening economic crisis in North Korea following the food and energy shortages; a series of defections, including the defection of Kim Chong-il's former wife; and the delay in Kim Chong-il's power ascension.

According to its past scenario, Japan had considered restricting Chongnyon's [the General Association of Korean Residents in Japan] remittances to North Korea, giving logistical support to the U.S. Forces in Japan, and others under the precondition that the ROK, the United States, and Japan impose an economic embargo against North Korea in the event it rejects nuclear inspections regardless of the resolution adopted at the UN Security Council.

The paper reported that the new scenario will focus on the situation in which North Korea collapses "of itself" without the intervention of the three countries.

The paper added that, however, the Japanese Government is experiencing difficulties as there are many unpredictable factors, such as the movement of the North Korean military and the issue of North Korean refugees.

ROK Foreign Minister Reiterates Position on Tokto Islets

SK2802074496 Seoul HANGUK ILBO in Korean 28 Feb 96 p 1

[Report by Tokyo-based correspondent Pak Yong-ki]

[FBIS Translated Text] In connection with the establishment of a 200-nautical mile Exclusive Economic Zone [EEZ], Japanese Prime Minister Ryutaro Hashimoto said on 27 February that he "is not considering excluding some waters in establishing the EEZ."

On this day, Prime Minister Hashimoto said this before the Budget Committee of the Japanese House of Representatives. Thus, he reaffirmed the Japanese Government's stance on establishing the EEZ, using the Tokto Islands as its basic line.

Answering before the Diet, Foreign Minister Yukihiko Ikeda, as well, stated that "the Japanese Government's position toward Tokto is consistent," adding: "The Japanese Government protested to the ROK against its military exercise and construction of a wharf on the islands in an attempt to effectively maintain control over them, and such steps by the ROK side cannot constitute a measure confirming its sovereignty over them."

Thus, he clarified the Japanese Government's stance not to recognize the ROK side's sovereignty over the islands.

Regarding the issue of concluding fishery agreements with the ROK and the PRC in the wake of establishment of the EEZ, the Japanese foreign minister stressed that the Tokto issue and the negotiations for concluding a fishery agreement with the ROK should be dealt with separately. He added: "However, we cannot predict when negotiations for concluding the fishery agreement will start, but we will start negotiations soon so we can settle the matter within a year."

Government To Ignore Japanese Leaders' Remarks on Tokto

Meanwhile, the ROK Foreign Ministry decided not to take any countermeasures against the remarks that Japanese Prime Minister Hashimoto and Foreign Minister Ikeda made on the Tokto Islets in the Japanese House of Representative on 27 February.

An official at the Foreign Ministry said that "Since our jurisdiction over the Tokto Islets is firm, we do not feel any need to take countermeasures in response to their remarks."

ROK Premier Stresses Preparation for Possible DPRK Invasion

SK2802065396 Seoul YONHAP in English 0555 GMT 28 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 28 (YONHAP) — Prime Minister Yi Su-song on Wednesday stressed the need to be prepared for the possibility that North Korea's deepening internal upheaval may result in a misjudgment leading to an invasion of the South, a spokesman for the prime minister said.

Yi made the remarks while visiting the Joint Chiefs of Staff headquarters command post, the spokesman said.

Yi visited the post to be briefed on recent military developments in the North and check the Army's preparedness, he said.

The premier also pointed out that any hasty conclusion about a possible collapse of the North's regime could give people confused impressions of North Korea and misled views on reunification, according to the spokesman.

Yi noted that the South Korean Government has yet to have correct, detailed information about the North's internal situation.

ROK: Russian Expert Reviews Current Situation in DPRK

SK2802114496 Seoul CHOSON ILBO in Korean 27 Feb 96 p 6

[Third and last installment of a three-part series of articles by Aleksandr Minayenev, a Russian Foreign Ministry expert on North Korea and specialist of the International Cooperation Department in the Premier's Office: "The Current Situation in North Korea"]

[FBIS Summary] In a bid to keep its "national pride," in the past North Korea never asked for help from foreign countries, no matter how difficult its economic situation. However, it has changed. North Korea is "undisguisedly" calling in aid from foreigners these days. Also, an increasing number of people in North Korea prefer foreign goods, which have shops dealing in foreign currency. Anyone who has foreign currency uses these shops. In the past, the North Korean authorities inquired as to the source of foreign currency held by individuals, but they do not now. Prices are high in these shops, but goods sell well here because of the "absolute shortage of materials" in the country.

Though it "appears to be solid," North Korean society "is cracking." One who wants to receive "proper treatment" from a hospital "should prepare a gift," and if the gift is food, it will be more welcome.

North Korea is greatly advertising the development of the Najin-Sonbong area, but faces limitations on development because it provides "no guarantees" to foreign investors. Only a few ROK businessmen are in a hurry to invest in this area in order to obtain vested rights "for the distant future."

North Korea also faces limitations in economic cooperation with Russia because it is not able to settle foreign currency accounts. In 1994 a Russian businessman succeeded in making North Korea pay part of the cost of chemical fertilizer, which North Korea had purchased from his company, by observing a fast at Kim Il-song Square in Pyongyang. "Frankly speaking, Russia is willing to sell its weapons to North Korea if North Korea pays in cash." However, North Korea has no cash.

I have heard that some hungry North Korean people attacked a vehicle carrying rice shipped from South Korea. Despite the North Korean authorities' efforts to hide the robbery of South Korean rice, the rumor was widespread among the North Korean people.

The high quality of ROK goods is known "to a certain extent," especially among "the intellectual class" in Pyongyang. "What is important" is the fact that North Korean intellectuals know how Germany was reunified and are aware of the situation in Germany following reunification. "Exaggerated a little," the fact that "West Germans look down upon East Germans" has been heard by the North Korean intellectuals, and this "strengthens their unity."

When a dispute took place in Seoul in connection with expressing condolences over Kim Il-song's death, North Koreans reacted to this "quite sensitively," not simply because they respected the deceased, but because they worried about their fate following reunification, judging that "Seoul, which hates Kim Il-song that much, is not likely to warmly treat those who were under his command."

As a foreign observer, I would like to advise Seoul "not to drive North Korean intellectuals into a corner." When Seoul creates an atmosphere in which North Korean intellectuals believe they will survive the squall following reunification, it will become possible to prepare the ground for reunification.

ROK: PRC-DPRK Relations Reportedly Deteriorated Recently

SK2802080196 Seoul CHUNGANG ILBO in Korean 28 Feb 96 p 2

[Report by Beijing-based correspondent Mun Il-hyon]

[FBIS Translated Text] Concerning North Korea's recent undisguised criticism of the Chinese socialist line, the Chinese Government is seeking to grasp North Korea's true intentions, while the head of the party's International Liaison Department has indirectly denounced North Korea. This being the case, a high-ranking official in Beijing revealed on 27 February that relations between the two countries have recently deteriorated greatly.

The official said "The Chinese leadership is enraged over the fact that in mid-February North Korea ran in a newspaper published in Macao a large advertisement criticizing China." He added that "China is currently seeking to determine North Korea's true intentions."

It has been learned that the North Korean side paid $4,700 (approximately 3.7 million won) for this advertisement. The advertisement said that certain countries (indicating China) are, in actuality, going along the road of corrupt capitalism while outwardly advocating socialism.

Concerning this, in an interview with THE CHINA DAILY that day, Li Shuzeng, head of the party's International Liaison Department, said: "The party of one nation should not enforce its own views and practices onto the party of another country, whether their systems and ideologies are the same or not." Thus, she indirectly denounced North Korea, thus attracting attention.

Meanwhile, another official pointed out that "Through a diplomatic channel, North Korea recently lodged a strong protest with China against its plan to take judicial steps against Yi Kyong- chun (40), the mastermind in hijacking Pastor An Sung-un [to North Korea]. As a result of this, diplomatic discord between the two countries has been deepened."

He said: North Korea's complaints against China's demand that North Korea pay cash for trade between the two sides have also increased. Since China's Ministry of Foreign Economic Relations and Trade plans to strengthen its management and supervision over border trade, as it announced on 25 February, North Korea-China border trade will be hard hit.

ROK: Australia To Abolish Visa Requirement for Koreans, Others

SK2702024096 Seoul THE KOREA TIMES in English 27 Feb 96 p 2

[FBIS Transcribed Text] Australia will allow Koreans to enter it without visa beginning next January, an official of the Australian Tourism Commission said yesterday.

Instead of getting visas from the Australian Embassy in Seoul, Korean travelers will be required just to put their passport numbers into computer terminals connected to the Australian immigration authorities when they purchase air tickets to Australia, the official said.

The Australian immigration authorities will then give permission for entry through the computer terminals, he said.

They will need no visa stickers nor stamps in their passports.

The Australian government will apply the new entry system to the United States, Singapore, Britain and Japan from October, and to South Korea, Hong Kong, Taiwan, Malaysia, and Indonesia from next January, the official said.

Last year, a total of 170,000 Koreans visited Australia.

ROK: President, Hashimoto Scheduled To Meet 2 Mar in Bangkok

SK2802081596 Seoul YONHAP in English 0743 GMT 28 Feb 96

[FBIS Transcribed Text] Singapore, Feb. 28 (YONHAP) — President Kim Yong-sam will meet with Japanese Prime Minister Ryutaro Hashimoto on March 2 during the upcoming Asia-Europe Meeting (ASEM) summit to be held in Bangkok between March 1-2, Presidential Spokesman Yun Yo-chun announced Wednesday.

"As a result of their common recognition that the current diplomatic stalemate precipitated by the Tokto Island and Exclusive Economic Zone (EEZ) issues is undesirable in light of the importance of bilateral ties, the two chief executives agreed to meet and discuss ways to establish future-oriented ties, while looking squarely at history."

At the meeting, Yun added, Kim and Hashimoto will also exchange opinions on the situation on the Korean Peninsula, and discuss ways to promote three-way cooperation among Seoul, Tokyo and Washington with regard to North Korean issues. Matters related to the Korean Peninsula Energy Development Organization (KEDO) will also be addressed in the meeting, he added.

The outcome of the planned meeting of the Korean and Japanese leaders is expected to attract a great deal of attention, given the recent diplomatic skirmishes involving a territorial dispute over Tokto Island.

ROK: Physical Examination of Chon Revealed No Health Problems

SK2702013996 Seoul YONHAP in English 0035 GMT 27 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 27 (YONHAP) — A checkup given to former President Chon Tu-hwan upon his return to the National Police Hospital from court Monday afternoon showed no particular signs of ill health.

"After standing trial for seven hours, Chon looked exhausted, but basic physical examination that involved checking his blood pressure and pulse showed nothing abnormal," said Dr. Yi Kwon-chun of the hospital.

Chon was just advised to get some rest, according to the doctor.

Probably because of the stress caused by the trial, Chon, who had had good appetite until Sunday, ate very little for lunch and dinner Monday, Dr. Yi added.

The court, meanwhile, said that Chon's trial will resume April 15, and attributed the long interval to the need for judges to have more time to review his charges related to the 1979 military coup and the bloody suppression of the 1980 Kwangju uprising.

The date of the first session of a public trial of Chon and his cronies on military mutiny and treason charges will be announced soon, Kim said.

ROK Editorial Reviews 1st Hearing of Chon Trial

SK2802022596 (Internet) The Digital Chosun Ilbo WWW in English 1231 GMT 27 Feb 96

[Editorial: "Prosecutors Caught Off Guard"]

[FBIS Transcribed Text] Along with former President Chon Tu- hwan, all defendants indicted in relation to the alleged amassing of illegal political slush funds by Chon while in office, denied in entirety the claims against them at the first hearing of the matter on Monday. While Chon admitted receiving monetary sums from businessmen, he claimed that they were used only for campaign purposes in connection with presidential and general elections and not for the securing of any special or personal benefits or interests by him. Lawyers for Chon submitted that there is no proof that businessmen gave money to Chon to be used in connection with any particular or directed purpose and accordingly petitioned the court to dismiss charges against the defendants.

Chon's legal team further submitted that the prosecution had lazily disregarded the most important requirement under the bribery law, namely the establishment of a real and actual connection between moneys passed and Chon's presidential functions or duties. They accused the prosecution rather of concentration too heavily on identifying the place of usage of the funds and their current whereabouts. Chon himself reiterated his attorney's submissions and stated to the court that he fully denied each and every one of the charges brought against him and that he only received moneys on national holidays or at the year end of [as received] year start by way of political funds and funds for campaigns associated with general and presidential elections.

The court stated that it recognised some loose aspects to the prosecution's indictments and ordered it to supplement its pleadings by the next hearing. It seems apparent that not only has the prosecution failed to specify the actual purpose and usage to which the slush funds were put but it has failed to discharge the onus imposed upon it to prove each aspect of its case against the defendants with precision instead of relying upon a comprehensive bribery theory. Chon took the prosecution further by surprise by asserting that he had only accepted funds in order to stabilize Korea's business and political environment. One wonders what on earth the prosecutors were doing for the last 85 days during which Chon has been in custody.

It is critical that the prosecution investigates and clarifies forensically with precision those elements of the bribery law which it must establish have been transgressed by Chon. This is especially so in regard to the allegations that of the 700 billion won the former President amassed, 200 billion won was used to secure special interests or benefits and that of 88 billion won intended to be used to establish a new political party and appease public disenchantment, 15 billion won was distributed directly to journalists and politicians that connection. To do so, the prosecution must abandon its obsession with a comprehensive bribery theory.

Both the prosecution and Chon bear in mind that have a moral duty to espouse in comprehensive detail matters relating to the 15 billion won allegedly paid to journalists and politicians lest irreparable damage to the reputations of journalists at large result. [sentence as received] We sincerely request to Chon to specify exactly who received what and wish this to serve as a warning should he decline to do so.

ROK: Prosecution: Chon Tu-hwan Responsible for Kwangju Shootings

SK2802111596 Seoul YONHAP in English
1022 GMT 28 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 28 (YONHAP) — The man ultimately responsible for opening fire at demonstrators during the bloody Kwangju incident of 1980 was Chon Tu-hwan, then commander of the Defense Security Command, the prosecution said Wednesday.

"There was no person who expressly ordered fire during the uprising but the man who was in effect responsible for opening fire was former president Chon Tu-hwan," the special prosecution team investigating the Dec. 12 coup and May 18 Kwangju incident said.

Prosecutor Yi Chong-chan, chief of the special team, said that in an army headquarters instruction telling troops in Kwangju to invoke the right to self-defense, there was some room for field commanders to mistake the instruction for a firing order.

"Therefore, we arrived at the conclusion that the then-army chief of staff and Chon Tu-hwan who was behind the instruction were to be blamed for the opening of fire," Yi said.

Earlier the prosecution charged that on May 21, 1980, Chon Tu- hwan presided over a meeting of top defense officials during which Kwangju demonstrators were branded as armed rioters and an implicit firing order was handed down to result in the killing of a large number of people.

ROK: Chon, No Trials Likely To Continue Through End of Jul

SK2702073896 Seoul YONHAP in English
0655 GMT 27 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 27 (YONHAP) — With the trial of Chon Tu-hwan and No Tae-u over the Dec. 12 and May 18 incidents slated to start on March 11, attention is now being drawn to when all the lower-court hearings involving the two former presidents will come to an end.

The two ex-presidents will be tried together by the same court on mutiny and sedition charges stemming from the military coup and bloody massacre in the March 11 hearing, in addition to separate trials they have been subject to on their respective corruption charges.

The hearing on corruption charges involving Chon is expected to be concluded as early as in its second session on April 15 or in the third in May.

Given that some defendants in the graft case involving Chon have been implicated in the coup and the massacre as well, the court may put off the sentencing session on it until the hearing on the military incidents was concluded.

As for the No slush fund scandal, a hearing was concluded at the third session on Jan. 29 for 14 co-defendants, including businessmen, except for No.

A member of the judges' panel in charge of the three cases said earlier, "Should verdicts be given prematurely to the businessmen standing trial in No's scandal, they might prompt people to jump to conclusions about others' guiltiness or innocence or penalty."

"Accordingly, sentences for the businessman defendants will have to await the conclusion of hearings on the coup and massacre," he added.

The schedules of the three separate trials are thus inter-related with the trial of the two military incidents having direct impact on the other two.

In announcing its decision Monday to resume trial of Chon on graft charges on April 15, the court said that the long interval was needed to allow the panel and defense attorneys enough time to examine records of the coup and the massacre.

This indicates the court's intention to hold one or two trial sessions on the two incidents prior to the second trial on Chon's graft scandal, which it apparently deems relatively simple.

Chances are that the second session of the trial of the two military incidents will come in two or three weeks after the first.

Following the second trial of Chon's slush fund scandal, the panel reportedly plans to alternate the trials of the scandals and the military incidents every two weeks.

The case involving the two incidents is expected to require more trial sessions than those of the graft scandals. Its records are voluminous, amounting to more than 130,000 pages, more defendants are involved, and legal contentions are more varied.

All in all, an en bloc sentencing session on the three cases may be held late in June at the earliest or during the latter half of the year.

ROK Proposed Law To Permit Mergers, Aquisitions by Foreigners

SK2502024296 (Internet) The Digital Chosun Ilbo WWW in English 2034 GMT 24 Feb 96

[FBIS Transcribed Text] As of next year, foreign companies will be permitted to buy shares and control management of companies not listed on the Seoul Stock Exchange. The Finance and Economic Board announced Saturday that the Foreign Investment and Promotion Law to be created this year will include a clause allowing friendly mergers and acquisitions (M & A).

Officials of the Board said that at the present, foreigners are allowed to buy less than 3% of enterprises through listed stock only. However, in order to increase foreign domestic investment, the law is being changed to allow the purchase of up to 100% of unlisted companies. Only mergers and acquisitions [M & A] that have the consent of the majority of the existing stockholders will be permitted. Unfriendly M & A's, without the consent of shareholders will continue to be illegal. Also, public industries such as communications, mail service, information and railroads will be exempt from foreign takeovers as will the nation's basic industry companies such as POSCO (steel) and KEPCO (electricity).

Listed companies will continue to be subject to a 3% limit for foreign ownership, but this is expected to rise incrementally until eventually, they, too will be open to foreign control.

ROK: NCNP Lawmaker Indicted on Graft Charges

SK2802111496 Seoul YONHAP in English 1026 GMT 28 Feb 96

[FBIS Transcribed Text] Sunchon, Feb. 28 (YONHAP) — The prosecution here indicted Rep. Sin Sun-pom of the opposition National Congress for New Politics (NCNP) Wednesday on graft charges.

Sin is accused of receiving 10 million won from the head of the Hoyu Shipping Co. in connection with an extensive oil spill involving Hoyu's tanker "Sea Prince."

A prosecution official said Sin confessed to using most of the money for personal purposes such as the opening of a path leading to his mother's tombyard, paying his personal debts and publishing a book.

"But, we do not place him under arrest in consideration of the facts that he is a four-term legislator, that the money involved was relatively small in amount, and that he frankly admitted to having received the money," the official said.

The official said the prosecution found that Hoyu's money also flowed into the pockets of fishery union heads, village leaders and local public officials in the area of the oil leak, but decided not to take legal steps against them because the money they received was extremely small.

Burma

Burma: Aung San Suu Kyi Discusses Japan's Role in World Peace

OW2802005096 Tokyo ASAHI SHIMBUN in Japanese 26 Feb 96 Morning Edition p 1

[Interview with Aung San Suu Kyi by Saburo Ito, executive director of the ASAHI SHIMBUN Forum 21 secretariat; in Rangoon in early February; first three paragraphs are ASAHI SHIIMBUN's introduction]

[FBIS Translated Text] It has been decided that beginning this month, Aung San Suu Kyi, leader of the democratic movement in Burma and winner of the Nobel Peace Prize, will participate in the "ASAHI SHIMBUN Forum 21," which consists of intellectuals from Japan and abroad. Taking this opportunity, Aung San Suu Kyi contributed an article entitled "Asia's Peace and the World" to "Forum 21."

The "Forum 21," which has taken up such issues as how people ought to coexist in the global citizens' era as well as Japan's future course, has basically replaced its membership with a new lineup beginning this year. With Aung San Suu Kyi's participation, the "Forum 21" now consists of a total of 19 members, of which nine are international members including former Costa Rican President Oscar Arias Sanchez and Singapore Senior Minister Lee Kuan Yew, and 10 are domestic members including Tokyo University professor Katsuto Iwai and novelist Kenzaburo Oe.

Aung San Suu Kyi granted an interview to Saburo Ito, executive director of the ASAHI SHIMBUN Forum 21 secretariat, who visited her at her home in Rangoon, Burma's capital, in early February. She stressed that "the Japanese people have a special responsibility to help maintain world peace." The following is a summary of the interview.

[Ito] Can you send a message to Japanese readers on this occasion?

[Aung San Suu Kyi] It is very important to have the Japanese people realize what is happening right now in Burma. Therefore, I am very pleased that I can keep in touch with the Japanese people through the ASAHI SHIMBUN.

The Burmese people seek democracy because they firmly believe that they can truly make progress as long as they are assured of their basic human rights. I feel that it is the obligation of Japan as an economic super power to make people understand that economic development does not mean everything and rather what is most important is the people's livelihood.

[Ito] What do you expect of the Japanese people in particular in regard to Asia's peace and the world?

[Aung San Suu Kyi] The Japanese people simultaneously know the horrors of war and the benefits of peace. That is why there is no limit to how much Japan can contribute to peace. Japan changed drastically since the end of World War II. The Japanese people learned how big the fruits that they can harvest are when human rights are assured under a democratic system. That is because human rights form the foundation of social justice and without social justice, we cannot hope for lasting peace.

I worry that because of Japan's excessive economic success, some people who spend all their time on economic activities may at times be forgetting the importance of politics. If Japanese society gets too preoccupied with making money and forgets that economics and politics are inseparable, it will some day face tragic consequences.

[Ito] When you resided in Kyoto (from 1985 to 1986) at the invitation of Kyoto University, did you feel that the Japanese people were laying back on economic prosperity?

[Aung San Suu Kyi] No, I did not think so. I led a very happy life in Kyoto. I liked the native people of the town in the vicinity of the Shugakuin where I used to live.

Burma: Aung San Suu Kyi Article on World Peace

OW2802091096 (Internet) ASAHI SHIMBUN WWW in English 26 Feb 96 (tentative)

["Asia Must Arm Itself With the Skills for Peace — Formulas for the Future" by Aung San Suu Kyi]

[FBIS Transcribed Text] So much has been said about peace one questions whether there is anything left to say. And yet, "peace" as a concept has never lost the freshness of its appeal. Particularly in Asia, expressions such as shalom, salaam or shanti bear repetition many times over, confirming and reinforcing man's eternal desire for peace.

All over the world, New Year is a time to wish each other peace and prosperity. However, there is no single Burmese word that means "peace." The expression nyeinchan is a compound of the words for "extinction" and "coolness." The latter word connotes ease and happiness, while the former signifies the cessation of the fires of passion.

The allusion here to the taming of one's desires as a precondition for the internal quest for peace is fundamental to the teachings of the Lord Buddha, which continue to inspire so many Asian peoples even in our age of gross materialism.

For without the quelling of all those instincts that contribute to human greed, pride and hate, what possible hope can there be for peace in human society? The same message lies at the heart of all the major religions of the world and of the ethical standards they hold in common. The need to develop paths to peace has not decreased despite the sweeping changes that have taken place in the balance of political and economic power in recent decades.

The impressive performance of some Asian countries in the economic field over the last few decades has won widespread admiration. It is natural for people to expect that a betterment in material conditions would bring happier times.

The Onslaught of Materialism

Yet never has it been the case that wealth and riches have been able to prevent human conflict, with its attendant suffering. The peoples of Asia have long prided themselves on the possession of ethical standards and spiritual values that are above mere material considerations.

As more and more Asian countries enter the ranks of affluent nations, it will become increasingly evident whether or not those standards and values that are held to be a particularly Asian heritage can withstand the onslaught of materialism.

Will we become more compassionate and caring or more calculating and egoistic? Will we develop greater vision and deeper understanding or will our interests narrow down to mere profit- making? Can we use the lessons learned from economic achievements to help improve our social and political condition?

It has been said that a key element in the economic success of many Asian societies is trust in the commercial sector. The same has to be true of the social and political spheres, where justice founded on trust and public confidence bears lasting fruit in peace and stability.

The wealth and power of nations wax and wane, subject to the principles of commerce, the development of technology, the challenges of the new and unexpected, and the frailties of human nature. The life of nations is calculated not in decades but in centuries, and to ensure sustained progress and stability there is a need to develop institutions and processes that allow for change without upheaval and for the peaceful solution of conflicting interests that are bound to arise even in the best-ordered societies.

Conflict, it can be argued, is fundamental to all forms of life. But just as we have to accept that for most people suffering and happiness coexist in various shifting, unequal measures, so surely it can be seen that the very presence of conflict in our midst points to its antithesis in attainable peace.

Every conflict is but the repetition of those that have occurred throughout the long vistas of our shared past, even if the form those conflicts have assumed has varied constantly from time to time and from place to place. Their nature and outcome, the mental and physical misery caused by human folly, is always the same.

But the universality of conflict and suffering is matched also by the skills of conciliation that have had to be developed by most human societies at various levels, from the nuclear family to the nation state. All the means of resolving conflict that have ever been used lie before us like an open book, and it is up to us to make constructive use of the lessons that can be learned from the history of the human race.

It has been argued that war itself is a legitimate means of attaining peace. The problem of using evil means in pursuit of a just end will doubtless continue to exercise thinking people for generations to come.

The answer to that problem may never be settled to everyone's satisfaction, but everyone can surely agree on the absolute need to identify and uproot the seeds of strife before they grow to gather pace and momenqum beyond all control.

I believe we can, at the present time, take some cautious comfort from what appears to be a reduction in the immediate threat of wars caused by invasion. It would seem, for the moment at least, that a sense of restraint and rationality has been brought to the territorial ambitions of nation states, though to be complacent about the situation can only invite future trouble.

If, however, we can detect a lessening of human misery resulting from foreign interventions, the same is decidedly not true when we consider the pervasive suffering caused by political, social, and economic injustice and, most noticeably, by ethnic hatred.

A Lack of Human Understanding

The last is usually the result of grievances caused by a sense of injustice or of prejudices fostered by lack of human understanding.

To attempt to eliminate, disguise or conceal by repression the expressions of human grievance caused by injustice—in fact to try to impose peace by the exercise of authoritarian power alone— reminds me of the Buddhist notion of "conventional peace" (sammuti shanti), which is traditionally contrasted with "momentary peace" (tatanga shanti) and "total peace" (accanta shanti).

Buddhists are taught to cultivate the transient form of peace through constant mental awareness as a means to attaining that all- embracing peace that is synonymous with the goal of nirvana. But peace of the "conventional" variety has been described as "imaginary peace without practice; for instance, the peaceful life one can attain due to the saving of a powerful being, which is nothing but a misconception."

It follows that the peace (or, perhaps more accurately, quiescence), resulting from artificial coercion or intervention is nothing more than a dangerous illusion and has to be recognized as such. The truth of this has been amply borne out in recent history.

We have seen how long-festering grievances and animosities burst into open conflagration when authoritarian forms of rule collapse along with the means whereby those urgent problems were hidden from view. Systems which sweep aside fundamental problems of social and political injustice in the vain hope that such problems, if ignored long enough will vanish, cannot achieve long-term stability.

The notion that "peace without practice" can only be of an imaginary order points to the essentially active nature of any process aimed at achieving genuine peace.

The skills of arbitration, mediation, negotiation and compromise will acquire ever-increasing importance as the world continues to shrink—in a movement that is already bringing its manifold cultural and political diversities into closer and closer contact. The potential for both conflict and harmony on this planet now seems greater than ever before, as the speed of change accelerates beyond anything comparable in human history.

The time is fast coming to an end, if it has not done so already, when conflict and peace in Asia can be separated from the turmoils and harmonies of Africa, the Americas, Australasia or Europe.

To Be A Peacemaker

Those who would be peacemakers have to develop transparent sincerity, a keen understanding of differing points of view, and an ability to compromise, which includes a willingness to give up prejudices and privileges that obstruct the path to conciliation.

Our success in the great task of generating peace on this earth will depend finally on our ability to recognize our common humanity and our shared goals, which transcend and rise far above the cultural and political divisions of all nations and continents of the west and east.

Peace is too important to be left to chance, to be allowed to deteriorate into the imaginary form that results from lack of positive endeavor. We need to strengthen and develop regional and international institutions that work actively for peace, specializing in the resolution of conflicts and in the promotion of harmony both within and between nations.

The last decades of the 20th century have been an era of impressive economic achievement for some parts of Asia. But our continent is still rife with social and political injustice as well as ethnic and communal strife.

Should we not resolve to work toward removing injustices, putting an end to strife, and making the 21st century an era not just of Asian prosperity but of Asian peace that may spread to all peoples of the world?

(Aung San Suu Kyi is the 1991 recipient of the Nobel Peace Prize, awarded to her for her nonviolent struggle for democracy in Burma. After being released last July from six years of house arrest by the country's military government, she was restored as general secretary of the National League for Democracy, a party she helped found in 1988.)

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Ends Visit to Japan, Comments on UNSC Seat

BK2802092496 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Feb 96

[FBIS Transcribed Text] Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed says giving ASEAN a permanent seat in the UN Security Council can help balance its attitude. ASEAN member countries could rotate the seat among themselves.

He told reporters this at the Kuala Lumpur International Airport in Subang on his return from a three-day working visit to Japan. Dr. Mahathir was commenting on a statement that France is open to the idea of ASEAN having a permanent seat in the Security Council.

French Ambassador to Thailand (Gerard Rose) was quoted by the press as saying that the matter would be one of the issues to be raised at the two-day Asia-Europe meeting in Bangkok from Friday.

Malaysia: Editorial Previews Asia-Europe Meeting in Bangkok

BK2802133696 Kuala Lumpur BERITA HARIAN in Malay 27 Feb 96 p 8

[Editorial: "The Dialogue That Can Correct Global Economy"]

[FBIS Translated Text] Talks based on bilateral or multilateral ties have been held frequently between East-West countries, both officially and unofficially. Similar dialogues have also been conducted through organizations such as ASEAN and other dialogue partners. These achieved only short-term results, however, and follow-up actions were hardly implemented. Prejudices have arisen among these East-West nations as a result. Therefore, frequent misunderstandings have arisen over every trade or economic action.

All this indicates that the communication gap still exists between the two regions, which have different cultural backgrounds. We admit that such an issue exists, given their different perceptions and interests.

The East constantly takes into account its trade imbalance, while the West persistently continues to maintain its egoistic stand as representing the super powerful and cultured countries. With the upcoming Asia-Europe Meeting (ASEM) scheduled to be held in Bangkok on 1-2 March, we hope that the existing East-West gap can be narrowed. Of course, this depends on the summit situation, and we expect the summit to be somewhat different from the other summits that have been held occasionally. The two sides need to demonstrate their commitment and not just warm their seats for the sake of satisfying the need for a quorum for a meeting. It is advisable for any party desiring to cloud the situation not to participate in the summit from the very beginning.

Based on the meticulous preparations being made, we sincerely hope that the summit can be conducted smoothly—in the same way as the recent meeting held in Phuket at which Thailand acted as the host for Asia, and the meeting held in Rome between senior European officials and their Asian counterparts. Trivial issues should not be brought up, because this would only reveal immaturity in conducting an important summit.

Every country, therefore, should have a clear idea of the objective of the first summit involving 25 European and Asian countries. This summit should be able to create a new era of cooperation between the two regions. We want this summit, which we consider to be of utmost importance and which involves two different cultures, to be capable of changing the current unpredictable situation. With regard to economics, the upcoming summit could po- ssibly create the opportunity for a wider market for Asia in Europe. Europe's economic situation in Asia, which has been discouraging, could possibly be improved.

Asia will be represented by the seven ASEAN member countries— Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam—as well as China, Japan, and South Korea. The European Union will be represented by Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and Britain. Unquestionably, the composition of the 25 economic powers could at least change the structure of economic imbalance involving the two regions. In fact, the outcome of the upcoming summit could also result in transforming other nations that are dependent on Asia and Europe and make them more prosperous. Finally, the smaller and poorer nations could also benefit from the summit's results.

It is undeniable, however, that all of the countries involved in the summit have their own interests. This issue aside, we should view the context of cooperation as more important. The question of self-interest should not be considered as very important. Every nation participating in the summit has its own economic strengths and weaknesses based on its commodities and products. As such, we should not allow any nation to take advantage of any situation only for the sake of satisfying its own interests. Equal distribution should be considered a positive action.

As for the West, the question that has been frequently raised concerns the obstruction of trade through the policies being enforced. The West needs to listen to the opinions of the East if it wants closer ties. It should understand the meaning of economic cooperation in the achievement of mutual prosperity and in making the upcoming summit a success. The mental obstructions that have previously haunted the two regions should be expeditiously eliminated to enable the peoples of all nations to savor the results.

We believe that Malaysia, which is to be represented by Datuk Sri Dr. Mahathir Mohamed, the prime minister, will make positive contributions toward making the upcoming summit a success, given that he is a leader who frequently raises the East-West issue.

Malaysia: British Aerospace Agrees To Pay for Plane Modification

BK2802111296 Kuala Lumpur THE STAR in English 28 Feb 96

[Report by Sreejit Pillai — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — British Aerospace (BAe) has agreed to bear the cost for modifications needed to make the RMAF's [Royal Malaysian Air Force] Hawk 100 and 200 series combat aircraft more suitable for the tropical climate.

Defence Minister Datuk Syed Hamid Albar said the aircraft manufacturer had overlooked the adaptability of about 40 avionic parts to the local humid conditions.

"BAe chief executive officer John Weston promised us BAe will also improve its after-sales service to the RMAF immediately," he said.

However, Syed Hamid did not disclose the expenditure involved in modifying the parts.

"Weston will return to Kuala Lumpur in two months and brief the Government on the developments," Syed Hamid told reporters after meeting him yesterday.

The RMAF had complained to BAe about the Hawk's reliability and maintenance problems and the poor after-sales service a few weeks ago.

"We have also asked that certain parts be made here as there are local aerospace companies like SME [expansion unknown] Aerospace and Airod [aviation maitenance company] that can make them with BAe's guidance," he said.

"After all, SME Aerospace and Airod are manufacturing pylons for the Hawks locally and for the world market under licence from BAe," he added.

Syed Hamid said Malaysia also wanted the overall maintenance of Hawk parts be done locally unlike the current situation where certain parts had to be sent to Britain.

Asked if concrete shelters would be built to protect the state-of-the-art jets from the humid local weather, Syed Hamid said these structures were not necessary.

On the United States' request to Malaysia to help develop Bosnia's defence capabilities, Syed Hamid said Malaysia would do so if requested by the Bosnians.

"It is important Bosnia has a credible armed forces as they would have to defend themselves from any aggression after the Implementation Force (IFOR) pulls out next year.

"The Malaysian experience in the counter-insurgency can also be imparted to them," he said adding Malaysia's small but effective armed forces can be emulated by the future Bosnian armed forces.

On the controversy over the border wall being built between Malaysia and Thailand, Syed Hamid said the two countries would solve this issue through diplomatic channels.

Malaysia: Opposition Party Rules Out Joining UMNO

BK2402102296 Kuala Lumpur THE STAR in English 24 Feb 96

[Report by Shahanaaz Sher Habib — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The question of Tengku Razaleigh Hamzah joining UMNO [United Malays National Organization] does not arise, Parti Melayu Semangat 46 [Spirit of 46 Malay Party] information chief Ahmad Shabery Chik said yesterday.

He said Tengku Razaleigh had directed the party headquarters to inform divisions in writing that the party president and leaders had no intention of joining UMNO.

"The question of joining UMNO does not arise so far," he said. He added that there had been a lot of queries from the grassroots and the public following speculation in the media that Tengku Razaleigh was joining UMNO.

Ahmad Shabery said Semangat was willing to co-operate with UMNO on issues of mutual interest, such as Malay unity or all-party anti- nuclear testing gathering.

"But co-operating with UMNO does not mean joining the party," Ahmad Shabery said.

He added that the party would send out about 500 letters to division leaders explaining the "real situation and its position" on the matter.

"To be fair to members, we will communicate directly with them. "We will refrain from making comments in the media in response to remarks by UMNO leaders on the matter," he said.

UMNO president Datuk Sri Dr Mahathir Mohamed, responding to questions from reporters during his Hari Raya [end of Ramadan fasting month] open house, had said that there would be no formal invitation for Tengku Razaleigh to join UMNO and the party would not roll out the red carpet for him.

To another question, Ahmad Shabery said Semangat was prepared to put aside its political differences and hold joint celebrations with UMNO to mark UMNO's 50th anniversary but questioned the terms of such cooperation.

"We will not join UMNO in their celebration. But we are open to a jointly organised celebration."

Ahmad Shabery said Semangat would go ahead with its plan to celebrate the anniversary of the deregistered UMNO, adding "the new UMNO is free to join us in our celebration."

Both UMNO and Semangat have said they will celebrate the formation of UMNO in May.

Singapore

Singapore: Premier Goh Meets ROK's Kim Yong-sam

SK2802041296 Seoul YONHAP in English 0309 GMT 28 Feb 96

[FBIS Transcribed Text] Singapore, Feb. 28 (YONHAP) — South Korea and Singapore agreed on Wednesday to establish a future-oriented partnership aimed at enhancing substantiative bilateral and international cooperation.

The accord was reached at a summit meeting between South Korean President Kim Yong-sam and Singaporean Prime Minister Goh Chok Tong held at the Shangrila Hotel, where Kim is staying during his state visit here.

During the summit, Kim proposed that a South Korea-ASEAN 21st century committee of academics, economists and journalists be organized to formulate a vision for future cooperation between South Korea and members of the Association of Southeast Asian Nations.

Goh welcomed the idea and expressed his willingness to participate in the proposed committee with ASEAN members.

The proposed committee, which would function until 1999, would meet once or twice to work out a set of proposals designed to boost relations between the governments of ASEAN members and South Korea, Senior Presidential Secretary for Foreign Affairs and National Security Yu Chong-ha said.

The two leaders agreed to promote mutual cooperation in construction, communications, and the electronic and information industries. They also agreed to provide full-fledged government support to joint ventures in third countries that utilize South Korea's manufacturing and engineering capabilities and Singapore's information and marketing prowess.

The summit meeting also produced an accord that gives priority to reaching a science and technology cooperation agreement in the near future.

The two leaders rated the mutual cooperation between the two countries in the international arena highly, including the United Nations, Asia-Pacific Economic Cooperation (APEC) forum, World Trade Organization (WTO) and ASEAN, and pledged to continue promoting such relationship at future international gatherings including the first Asia-Europe Meeting (ASEM) slated to open in Bangkok March 1 and 2.

Goh promised to support a South Korean bid to host the second ASEM conference in Seoul in the year 2000.

Kim asked for Singapore's support in South Korea's effort to resolve the Korean peninsula issue and her participation in the Korean Peninsula Energy Development Organization (KEDO). Goh responded to the request favorably.

Prior to the summit, Kim visited the Maritime and Port Agency which administers the Singaporean port, a Southeast Asian hub of transportation, and inspected the unloading facilities.

The summit was followed by a luncheon hosted by Goh at the same hotel.

Kim met with Senior Minister Yi Kuan Yew Wednesday afternoon at the Shangrila Hotel to exchange views on ways of elevating friendly and cooperative ties between the two countries.

Singapore: French President Chirac Arrives for Visit

BK2802131196 Singapore Radio Corporation of Singapore in English 1000 GMT 28 Feb 96

[FBIS Transcribed Text] French President Jacques Chirac is in Singapore. His two-day official visit is seen as a start of a new phase of relationship between the two countries.

President Chirac was met on arrival at Changi Airport by Prime Minister Goh Chok Tong. [words indistinct] France is seeking alliances and partnership with Singapore in the region in order to engage Asia.

Singapore: Trade Ministry Releases Annual Economic Survey

BK2702125496 Singapore THE STRAITS TIMES in English 27 Feb 96 p 1

[Report by Tan Kim Song; all currency in Singapore dollars]

[FBIS Transcribed Text] Singapore's economy grew 9.1 per cent in the fourth quarter last year, after registering a revised 9.9 per cent growth in the previous quarter, the Ministry of Trade and Industry (MTI) said yesterday.

For the whole of last year, the economy's growth rate remained at 8.9 per cent as had been announced previously by Prime Minister Goh Chok Tong in his New Year message. It had grown at double-digit levels in the previous two years — by 10.2 per cent in 1994 and 10.4 per cent in 1993.

Leading the Gross Domestic Product (GDP) growth in the October- December period last year was the manufacturing sector, which expanded by 11.8 per cent.

This was followed by the construction sector, which saw a 11.2 per cent surge in value added, said MTI at the release of the 1995 annual economic survey of Singapore (AES).

In spite of the heavier trading activities in the stock market in December last year, the financial and business services sector as a whole continued to experience slower growth in the last three months of the year. It grew by 7.9 per cent, down from its peak performance of 10.4 per cent in the second quarter.

An MTI spokesman said the adjustment of the third quarter growth rates was part of the revision it undertook regularly, as more data became available.

In an earlier report last November, MTI had put the third quarter growth rates of the manufacturing and the construction sectors at 12.3 per cent and 3.1 per cent respectively. These were revised to 12.6 per cent and 7.3 per cent in the new report.

The revision brought the overall third quarter growth rate up from 9.0 per cent to 9.9 per cent.

For this year, MTI said that less favourable external conditions — due largely to lower projected growth rates in Europe and the US and to lower demand for electronic products — together with mounting domestic cost pressures, would continue to bring the economy's growth to a more moderate pace.

"The 0.9 per cent decline in the composite leading index (CLI) in the fourth quarter of 1995, if sustained, could signal slower growth in the second half of 1996," said the report.

The index, which measures economic activity three quarters ahead, showed a growth rate of 5.2 per cent as late as the third quarter of 1995 — suggesting that the economy would likely grow at a healthy pace in the first half of this year.

But MTI said it was sticking to its whole-year growth forecast of 7-8 per cent for 1996. This was slightly more upbeat than that given by National Development Minister Lim Hng Kiang, who had said last week that he expected the economy to grow by 7-7.5 per cent this year.

"This (7-8 per cent) is our official forecast," said the spokesman when asked about the discrepancy.

Reflecting the rising cost pressures in the domestic economy, the unit business cost (UBC) of the manufacturing sector reversed its declining trend of the previous two years — falling by 1.1 per cent and 0.7 per cent in 1993 and 1994 respectively — when it rose 3.4 per cent in 1995.

The rise was a result of increases in all three components of the UBC: unit labour cost (ULC), service costs and government fees and rates, said the report.

The 0.9 per cent increase in the manufacturing sector's ULC last year was particularly notable, as it occurred despite a 6.8 per cent jump in the sector's productivity.

The Republic's relative ULC — which measures its competitiveness vis-a-vis its trading partners — worsened against Asian NIEs [newly industrialized economies], in part because of the strength of the Singapore dollar, said MTI.

But not all factors are acting against the Republic. "Some favourable factors are the beneficial effects of recent interest rate cuts in the US and the return of foreign investors to the stock market," said MTI.

Also, in spite of keen competition, the manufacturing sector managed to attract total investment commitments of $6.8 billion last year — $1 billion more than that in 1994.

Singapore: Official Foreign Reserves Increased by 14 Percent

BK2702130296 Singapore THE STRAITS TIMES in English 27 Feb 96 p 34

[Unattributed report; all currency in Singapore dollars]

[FBIS Transcribed Text] Singapore's official foreign reserves rose by $12.17 billion or 14 per cent to $97.3 billion last year, as a result of a larger current account surplus and a smaller net outflow of capital.

Current account surplus — made up of the surpluses from merchandise and services trade — amounted to $21.39 billion last year, up from $17.24 billion in 1994. This was about 18 per cent of GNP.

Meanwhile, total net outflow under capital account was $9.7 billion for the year, down from $13.9 billion before, said the latest annual economic survey by the Ministry of Trade and Industry.

The change in the capital account was due in large part to the favourable conditions in the capital market here in the first half of the year when uncertainty in global currency markets following the Mexican peso crisis and the weakening of the US dollar, led to some inflow of short-term funds.

But the inflow abated in the second half of the year. By the fourth quarter of last year, there was again a net outflow of $1.6 billion.

Longer term funds, on the other hand, registered a larger net outflow of $17.7 billion last year, compared to $15.6 billion in 1994.

A better accounting of the capital flows helped reduce the total "balancing item" (otherwise known as "errors and omissions"), which measures the residual sum not captured in the balance of payment statistics, to $520 million. This was a significant improvement over the $7.1 billion and $3.92 billion in 1993 and 1994 respectively.

Cambodia

Cambodia: Official Urges U.S. To Find Actor's Murderer

BK2802120596 Phnom Penh National Radio of Cambodia Network in Cambodian
1100 GMT 28 Feb 96

["Condolence message from the Information Ministry"; dated 28 February — read by announcer]

[FBIS Translated Text] After learning of the murder of Hang Ngor in Los Angeles, all of us, the staff of the Information Ministry, [words indistinct] would like to convey to the deceased's family [words indistinct].

We strongly denounce this cowardly act by the murderer, who brutally and barbarously killed Hang Ngor, and appeal to U.S. authorities to find and punish the murderer in accordance with the law.

Once again we would like to convey our condolences to the deceased's family and relatives and pray that Hang Ngor's soul goes to heaven.

Phnom Penh, 28 February 1996

His Excellency Khieu Kanharit,
State Secretary of the Information Ministry

Cambodia's Hun Sen: Actor's Death in U.S. 'Political Murder'

BK2802101096 Hong Kong AFP in English
0833 GMT 28 Feb 96

[FBIS Transcribed Text] PHNOM PENH, Feb 28 (AFP) — The weekend slaying in Los Angeles of Haing Ngor, the Academy Award-winning Cambodian actor, was "a political murder," Cambodia's second Prime Minister Hun Sen said in a speech televised Wednesday.

He called for a full investigation and an explanation from the United States to the Cambodian Government.

Haing Ngor, 45, was found shot to death Sunday outside his Los Angeles home. He had won his Oscar for best supporting actor in the 1984 film "The Killing Fields," which depicted life in Cambodia under the brutal regime of the Khmer Rouge.

While Hun Sen did not specifically accuse the Khmer Rouge of complicity in the actor's death, several newspapers here accused the group of ordering the killing.

Police have not been able to discover a motive though they suspect it may have been robbery. CNN, however, reported Tuesday that police had found Haing Ngor's wallet, still containing money, on the body, clouding the question of a possible motive.

"This really shocked me," Hun Sen said in a speech given in the central province of Kampong Cham on Tuesday but aired Wednesday on national television. "I think that this was a political murder, it was not an armed robbery."

"The Government of the United States of America should give an explanation to the Cambodian Government about this political murder," Hun Sen said.

Hun Sen's call came as local newspapers filled their front pages with news of Haing Ngor's murder. Some blamed the Khmer Rouge.

The radical Maoists are held responsible for the deaths through murder, starvation or disease of at least one million Cambodians during their 1975-1979 rule and their leaders, including Pol Pot, remain at large. The group continues to wage guerrilla war against the government.

In "The Killing Fields," Haing Ngor portrayed Dith Pran, a local assistant to a U.S. reporter in Cambodia during the war which led to the bloody rule of the Khmer Rouge. Both Haing Ngor and Dith Pran endured similar horrors under the Khmer Rouge until they escaped.

"Because of Haing Ngor's movie, the world condemned Pol Pot so many people think that the assassination was probably an act of revenge from Pol Pot who hired someone to kill him," said the PULRATH KHMER (Khmer Citizen) newspaper.

"Those who killed Haing Ngor are Khmer Rouge rebels or those who are in favor with the Khmer Rouge," said the AREYA THOA (Civilization) newspaper.

Hun Sen did not specifically accuse the Khmer Rouge of complicity in the actor's death, but said that it was an act of intimidation against supporters of the current government.

Haing Ngor had been a member and active supporter of Hun Sen's formerly communist Cambodian People's Party, which rules Cambodia in a coalition with the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the smaller Buddhist Liberal Democratic Party.

"This murder was an act of intimidation against the supporters of the royal government, the supporters of the Cambodian People's Party and the supporters of the FUNCINPEC party who are working in America," said Hun Sen, adding it was also aimed at intimidating the children of Cambodian leaders now studying in the United States.

The co-Premier said he had refused permission for Haing Ngor's relatives living in Cambodia to attend the funeral, saying "there is no security in America."

"It is a great sorrow that countries which have perfect democracy and human rights could allow something like this to happen," Hun Sen said, apparently hitting back at criticism in the U.S. Congress against his government's record on human rights.

Cambodia: Ranariddh Views Border Problems With SRV

BK2802141696 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 28 Feb 96

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh referred to border problems in a speech made on 24 February at the inauguration of the Norodom Ranardiddh primary school in the Chek commune of Svay Chrum District, Svay Rieng Province. He stressed that the stance of the Royal Government of Cambodia [RGC] remains the same: 1) good and longstanding friendly relations between the Kingdom of Cambodia and neighboring countries; 2) mutual respect; and 3) solving problems through talks and peaceful means.

The prince first prime minister said he is determined to resolve this problem, and he will go to see His Excellency Vo Van Kiet, the SRV prime minister, to clearly discuss the friendly relations between the two countries and a solution to the problems between the two countries using political and diplomatic channels. The prince krompreah stressed that the RGC has never wanted to view any country as an enemy. The RGC's stance is to be a long-term friend to neighboring countries. There should, however, be mutual respect, and that solution should be sought through talks—diplomatically and peacefully.

At a cabinet meeting on 7 February, the RGC spokesman said that the RGC will strive under all circumstances to resolve border problems with calm and in an atmosphere of peace, friendship, and cooperation and will avoid armed clashes between border forces of the Kingdom of Cambodia and the SRV. The RGC, however, has always adhered to the stance of firmly defending the sovereignty and territorial integrity of the Cambodian motherland. The RGC will resolve border problems based on the principle of the joint statement of the RGC and SRV Government signed on 17 January 1995.

The RGC continues to resolve border problems peacefully and has tasked local authorities to continue solving the problems at various levels, from border checkpoints in communes adjoining the border to the battalion level and up to the provincial level. In the event that provincial authorities cannot resolve the problems, reports should be forwarded to the ministries and the Royal Government for concrete and realistic actions.

The Royal Government has told the commissions in charge of legal research and borders to continue their work meticulously and to complete it as soon as possible in order to prepare for technical meetings with the Vietnamese side on the border problems.

Cambodia: Khmer Rouge Views Asian Stand at Bangkok Summit

BK2802025796 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 27 Feb 96

[Unattributed report: "Western Powers Cannot Pressure Asian Countries at Will"]

[FBIS Translated Text] A summit meeting between Asian countries and the 15-nation European Union will be held in Bangkok on 1 and 2 March. Asian countries have refused to accept for discussion during the meeting issues of human rights and labor rights as demanded by Western powers who want to use these issues to pressure countries of the region into following them.

According to a foreign diplomat, the Asian countries' refusal to comply is proof that Western powers cannot force Asian nations to obey them at will. Why? Because countries in this region such as those in the ASEAN and China have become economically advanced, and more than ever their voices have to be reckoned with.

Therefore, Western powers can no longer do what they like. This is a future trend whereby Western powers will go down while Asian countries will go up and will become more influential in all aspects.

Cambodian Official: Nation on Track To Become ASEAN Member

BK2802063996 Phnom Penh THE CAMBODIA TIMES in English 18 Feb-2 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh — Cambodian officials said the country is on track to become a member of ASEAN in 1997 and will forward its application for full membership in ASEAN during the meeting of ASEAN foreign ministers in July this year.

Speaking during the visit of the ASEAN fact-finding mission to the Kingdom to assess its preparations for its 1997 deadline, Pok Marina, under-secretary of state for the Ministry of Foreign Affairs, said there was great enthusiasm and political will to get the country into ASEAN.

"It has been ratified by the National Assembly and we also have feedback from friendly countries that they will support the Kingdom to join ASEAN as soon as possible," she said. "This mission is the first official step for membership and we have identified the priority sectors for the country namely the state of our development, the implications of the Asian Free Trade Agreement (AFTA), finance and banking, agriculture as we are 90 percent agricultural, education and tourism. Once the ASEAN directors take into account the requests and interest of the Kingdom in these sectors, there will be follow up missions."

She said various ministries concerned, including the Ministries of Foreign Affairs and International Relations, Commerce and Finance have been working to set up action plans for the ASEAN department and to look at the implication of AFTA [Asian Free Trade Association] on its economy as well as entry fees on its budget.

"Getting into ASEAN means there is a contribution involved which would affect our national budget. We still have some reservations regarding AFTA and might need time and ask for preferential treatment because once you get into AFTA the import tariff has to be reduced to 5 percent and for the Kingdom at the moment it is one of the main sources of income."

She added local officials are also being sent for English language training and preparations are underway for seminars and workshops within the country with the help of institutions like the Cambodian Institute of Cooperation Peace (CICP).

Dr. Kao Kimhuon, director of the CICP, said the fact that the Foreign Ministry is already setting up the ASEAN department is evidence of the political will to become members.

"We will have the formal application by July to Indonesia, the Chairman of the ASEAN standing committee," he said.

"We are pushing for the Kingdom to join as it can contribute in the increasing regionalism and will again have the opportunity to regain its role in regional affairs. Politically and diplomatically the country can be part of these fast-growing regions and it would also help the Kingdom to restore its image that it has lost in the last 20 years."

"One of the major obstacles to membership for us is the lack of human resources not so much a lack of unity, coordination and or lack of purpose. Many people still don't understand and question what is ASEAN and how it is going to benefit us. We have to educate our people, provide intensive education and raise awareness."

Pok said one of the benefits of membership once the country joins ASEAN is that it would have an equal voice on the political agenda with ASEAN countries.

"The spirit of ASEAN is to promote peace and stability and as observers we have fully contributed already by deleting the conflict from the agenda which was the problem within ASEAN.

Cambodian Police Vow To Scrutinize Foreigners for Drugs

BK2802063796 Phnom Penh THE CAMBODIA TIMES in English 18 Feb-2 Mar 96

[Report by Ros Sokhet — received via Internet]

[FBIS Transcribed Text] Phnom Penh — Antidrug police have vowed to scrutinize foreigners arriving in the Kingdom after 79 drug smuggling suspects had been caught since December 1994.

"From now on, we will take strong measures to screen foreigners entering the country... especially the

Africans... These people have no jobs here and they come only to smuggle drugs," said Police General Skadavi M. Linun, adviser to Deputy Prime Minister and Co- Minister of Interior Sar Kheng who is in charge of International Criminal Police Organization (ICPO Interpol).

The announcement came after the UN representative of International Drug Control Program (UNDCP), Giorgio Giacomelli, visited the Kingdom recently.

"We are doing this for the sake of our people and all people in the world," he said.

General Skadavi could not estimate how many kilograms of heroin were smuggled monthly through the country but confirmed that the activities were carried out daily.

"The traffickers brought the unprocessed heroin from Laos to Thailand. They then produced it into heroin and bring back to the country for smuggling into the United States or Australia," Skadavi said.

He warned that foreigners, who had heard of the Kingdom's ineffective law on drugs, should not be tempted to smuggle drugs.

The general however admitted that the police faced an uphill task in their fighting against these drug dealers and smugglers.

"We can't carry out our work well... because our policemen are not properly trained to handle the task. Furthermore, we do not have sophisticated surveillance equipment," he said.

"That is why drug traffickers become so tempted to smuggle drugs here."

Cambodia: 'Media Group' Formed To Monitor Foreign Journalists

BK2702162096 Phnom Penh PHNOM PENH POST in English 23 Feb-7 Mar 96 p 4

[Report by Matthew Grainger]

[FBIS Transcribed Text] Foreign journalists who write stories critical of Cambodia will be asked to explain themselves to a government that appears increasingly anxious about its international image.

A newly formed "media group" will, among other things, ask foreign journalists to identify their sources used to write critical news reports, Information Minister Ieng Muli said.

The three-man "media group" is headed by Information Under- Secretary Khieu Kanharit. Other members are the under-secretaries for the Ministries of National Defense, Ek Sereivoat, and Finance, Sun Chanthol [titles as published].

A long-time human rights advocate, who asked not to be named, said: "This is threatening, it's intimidation... the whole thing is to make you afraid to publish controversial information. There is no other purpose."

The news about the formation of the group came during the same week that First Prime Minister Prince Norodom Ranariddh called for self-regulation within the media so the Government did not have to step in to control it.

Khmer Journalist Association (KJA) President Pin Samkhon called the gist of Ranariddh's speech and the news of the media group "a contradiction."

"If this group was trying to upgrade the profession it would be good, but not to oppose opinion... this is not the solution," Samkhon said.

Others however say that many countries had similar executive watchdog groups; but many observers are still worried about the group's powers and how they would be used.

Muli said the group may ask editors what sources were used for stories that "were not well founded or were against the interests of the country."

Muli confirmed that the group would "react" to stories from "mainly the international agencies first... AFP, Reuters, UPI..."

Critical television and radio stories will also be targeted and "in due course the likes of the Phnom Penh Post, the Cambodia Daily, and the Cambodia Times because they also publish in English. (The group) is mainly (concerned about) the foreign agents."

Muli said the group was formed within a "task force" of ministerial chiefs who meet each week to exchange information about national security and international relations. This task force needed its own group to "coordinate the reaction from mainstream ministries... against (critical) press reports and information (going) outside the country."

If news stories were believed to be wrong or unfair the group would "issue a clarification" after discussion with the editors, either in writing, over the phone or face to face, Muli said.

The group could not sue or recommend court action, he said — that power remains jointly with the Ministries of Information and Interior.

When asked what would happen if a story was critical, yet probably true, Muli said: "(Editors) will still be asked to explain how they feel if this is true... what kinds of sources of information were used.

"What (the group) wants to know is on what basis (editors) say it's correct... to affirm it is correct and ask for an explanation."

The press law gives journalists the right to protect their sources of information, and Muli said: "I think you are right to protect your sources, there is no doubt. (The group) will try to ask your source but you have your rights also to protect. (The group) will try to explain about what they believe and what they feel is true from their side of the story."

Muli denied that the group could be seen as threatening. Chanthol said the group was only concerned about Cambodia's "image".

Human Rights workers interviewed by the Post said that the group's existence was "the worst kind of pressure that the government can bring."

"This is a police state mentality," said one.

"If you have laws that allow papers to print the truth you should encourage it. If the truth is unpleasant then (the government) should fix the problem," he said.

Observers doubted too that the group would limit itself to dealing with just the international press. "If you were a Khmer editor and got a phone call from the undersecretary of state for defense, how would you feel? This is designed to be intimidatory," said one.

Meanwhile, Ranariddh's Feb 14 speech to ministerial information officers, read in his absence by Chief of Cabinet Li Thuch, hinted at further tightening of press freedoms if the media did not become more professional.

"Though the government can confirm that it would not revert to the past, in so far as democracy and freedom of expression are concerned, there are limits to this," he said. He said that Cambodia was more liberal toward the media than any other government in the region.

However, the national achievements made to date must not be destroyed by "blatant irresponsibility and indiscipline," Ranariddh said.

He said the media and government had to share responsibility for giving the public accurate information. That level of trust could best be achieved by mutual respect and support, "not constant confrontation."

"Misinformation," he said, "can very well affect our national image and the economic and legal credibility of our country."

More and better training, in addition to self-regulation and a working partnership with the government, was urgently needed, he said.

Samkhon agreed for the need of self-regulation with codes of ethics and conduct, but this too, he said, was hampered by inexperience and lack of training.

The KJA's ethics committee was largely new following the association's Jan 5 elections "and we need more training... and we have no power," Samkhon said. He said that soon the ethics committee "will be recognized by all the media."

On at least one occasion an editor has been told by the committee to correct a story. Editor So Naro's story on the Sirivut assassination plot was censured as unethical, but Samkhon said the committee had no other "real powers" of censure.

Notices were published in newspapers last year telling readers how they could complain to the committee about stories but still "people did not understand how to fight against the press," Samkhon said.

Cambodia: Police Called To Assist RCAF in Capturing Pailin

BK2802075696 Phnom Penh THE CAMBODIA TIMES in English 18 Feb-2 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Royal Cambodian Armed Forces (RCAF) killed 69 Khmer Rouge [KR] and wounded 38 between February 1 and February 8 in heavy fighting in the northwestern provinces of Battambang, Siem Reap, Kompong Thom and Banteay Meanchey.

During the same period, 13 RCAF soldiers were killed and 68 injured.

Spurred by the success against the KR, the RCAF has called in police officers to assist in the offensive to take the guerrilla stronghold of Pailin.

Announcing the government forces success, Information Ministry spokesman Sieng Lapresse said four Khmer Rouge soldiers had defected to the government and a large cache of assorted weapons, boats and mines were seized. Four KR trucks were also destroyed during the fighting.

The RCAF lost one truck and the KR burned down a district office in Kompong Thom.

Lapresse claimed that during the same period, the Khmer Rouge rebels had burned down 61 houses in the provinces where fighting took place. As a result, two villagers were killed and two others injured.

He denied news reports that five government tanks were destroyed by the Khmer Rouge, saying that four government tanks had been slightly damaged by mines. The tanks had been repaired and were now operational again, he said.

At a separate briefing, Battambang police commander General Van Chhunli, who is leading the police operation in the offensive against the KR, said a special unit comprising 1,000 policemen backed by four armoured personnel carriers (APCs), had been formed to assist in the offensive to retake Pailin.

The RCAF had sought police assistance, Chhunli said, adding that the unit was divided into two groups — a band of 700 men and two APCs stationed at Treng, 40 km southwest of Battambang, and some 300 at Bavel district where the RCAF is consolidating before mounting a large-scale offensive to flush out the KR and retake Pailin.

The unit had launched several sneak attacks on the KR, including one at Moung Russei district where fighting between government troops and rebels is continuing.

However, the police are on the lookout for a rag-tag band of about 200 guerrillas which has been conducting "hit-and-run" attacks on villages in the district.

General Chhunli said the hit-and-run attacks were increasing particularly in remote areas such as Sangke, Banan, Ek Phnum, Moung Russei, Bavel, Rattanamondul and Battambang.

He said the KR attacks were designed to push the RCAF back to the frontlines, leaving the guerrillas to consolidate its position in these areas.

However, he said, the RCAF would not retreat.

"We have our own militia to thwart their hit-and-run attacks in the province. We will not retreat," he said.

Meanwhile the government troops advancing on Pailin aborted a full-scale offensive on the Khmer Rouge gem-rich stronghold on February 9, after fearing heavy losses of RCAF soldier in combating with the Khmer Rouge forces at Phnum Veng (Long Mountain).

"We have launched an offensive against Phnum Veng on February 9 and our troops are moving, the Khmer Rouge rebels have fired their mortar, artillery, rocket launchers and other machine guns upon our troops," said Battambang military deputy commander Lieutenant Colonel Chea Ros.

He said after a 40 minute fighting the RCAF had retreated to avoid casualties.

"Fearing heavy losses of our men, we decided to temporarily retreat our troops into an area, about three kilometers east from Phnum Veng and if we did not retreat, at least 200 RCAF soldiers would have been killed or injured by the KR shelling," he said.

However, the colonel said the RCAF would not abandon its plan to capture Pailin.

"We will try again... This time we can't reach but next time we will capture the mountain and if we capture the mountain, then we will easily move towards Pailin," he said.

Phnum Veng, the Khmer Rouge biggest front-line position is located about 25 kilometers east from the Khmer Rouge nominal capital of Pailin and about 55 kilometers west from the Cambodia's second largest capital of Battambang. It is on National Route 10 about 10 kilometers southwest from the government's most strategic post of Treng.

Some 2,000 Royal Cambodian Armed Forces soldiers supported by tanks, are said to be taking up positions nearby the mountain, poised to mount another offensive.

"We will launch another offensive against the mountain... To reach Pailin, we have to capture Phnom Veng first... It is the only one way for our troops to reach Pailin," he said.

Colonel Ros said about 800 strong guerrillas backed by six tanks, mortar, artillery and antiaircraft guns had been assigned to take up positions around the mountain to halt the government forces advance to the guerrilla stronghold.

He said the government troops would face difficulties in capturing the Khmer Rouge stronghold of Pailin if the mountain was not taken first.

"If we did not rout the guerrillas on the mountain, we can't capture Pailin," he said.

The colonel later said "to disperse the guerrillas on the mountain" more than 1,000 RCAF fresh troops, supported by four tanks and two helicopter gunships, had been deployed at Bavel district, about 40 kilometers southwest from Battambang town, poised to launch an assault on the Khmer Rouge position at Phnum Veng from the rear.

"This is the only way that we can disperse the KR guerrillas on the mountain... When our troops in Bavel mounted an offensive from the rear, the guerrillas will retreat from Phnum Veng to thwart our attacks from the district, and then our troops based three kilometers away from the mountain will push quickly towards Phnum Veng," Colonel Ros explained.

Co-Minister of Defense Tie Banh, when asked by telephone could neither confirm nor deny the offensive, saying clashes between RCAF and the Khmer Rouge forces have occurred nearly everyday at the front-lines.

"All I know is that my RCAF troops have destroyed one Khmer Rouge tank and killed six guerrillas inside the tank in fighting near the mountain," the minister said.

Cambodia: Khmer Rouge Details Guerrilla Route 10 Activities

BK2802141896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 27 Feb 96

[FBIS Translated Text] Our National Army [NA] and poor peasants jointly implemented the guerrilla and people's war through ambushes against enemy trucks and sniping, hit-and-run assaults, and daily harassment attacks against enemy personnel on the Route 10 battlefield from 16 to 24 February—killing or wounding 159 two- headed soldiers, setting one tank and one truck ablaze, and putting another tank out of order.

Details of the fighting are as follows:

1. The prong south of Route 10: On 16 February, our NA and poor peasants jointly ambushed the invading forces eight times at Svay Sar—killing 12 and wounding 19 enemy personnel; destroying one AK, one B-40, and one RPK; and seizing one AK with 100 rounds of ammunition, 18 B-40 rockets, eight 60-mm mortar shells, and some war equipment. We planted 250,000 assorted stakes and hundreds of mines.

On 19 February, our NA and poor peasants jointly attacked the invading forces three times at Svay Sar and once at Pram Damloeng. As a result of these attacks, of sniping the enemy at Pram Damloeng, and of the enemy stepping on our mines at Veal Chieh, 18 enemy personnel were killed and 16 others were wounded. We destroyed one AK, one B-40, one RPK, and some equipment; seized five B-40 shells and a radio receiver; and planted 6,500 additional stakes and hundreds of assorted mines.

On 21 February, our NA and poor peasants jointly ambushed trucks of the two heads east of Phnum Sloek—setting one of them ablaze, killing three enemy personnel, and wounding five others. On the same day, we sniped at invading forces near Phnum Sandek, killing one and wounding three.

On 22 February, our NA and poor peasants jointly surrounded and set ablaze one T-55 tank of the two heads east of Chisang. All the enemy personnel inside and atop the tank were killed.

On 23 February, one T-55 tank of the two heads drove over our mines and was put out of order east of Phnum Sandek. Our sniping activities at Svay Sar and attacks at Phnum Sandek and a point east of Phnum Sloek resulted in 16 killed and 22 wounded among the enemy personnel. We also planted 5,000 additional stakes and hundreds of mines.

2. The prong north of Route 10: On 20, 21, and 22 February, our NA and poor peasants sniped at invading forces at O Trav and attacked them at: Daeum Chheuteal, Kirichum, the enemy line west of O Trav, a point west of O Khmum, Anlung Prama, Phteah Sbov, and Peang Dek. Twelve enemy personnel were killed and 14 wounded. We planted 122,100 additional stakes and dozens of mines.

On 23 February, our NA and poor peasants ambushed the invading forces west of Kirichum, killing two enemy personnel instantly. We found the body of a company commander named Pin Sovan on the battlefield. We seized an Aikom walkie-talkie, a wristwatch, 30 rounds of AK ammunition, and some war equipment. We planted dozens of additional mines and 3,600 plain stakes. On the same day, our NA and people conducted three sniping attacks against the two-headed soldiers west of O Trav, killing four and wounding five. We also planted 30 additional mines.

On 24 February, our NA and poor peasants planted 5,000 additional stakes of all categories and placed a number of mines.

Indonesia

Indonesia's Alatas: 'No Objection' to NGO Talks in Bangkok

BK2602144096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Feb 96

[FBIS Translated Text] Foreign Minister Ali Alatas has said Indonesia has no objection to the intention of a number of foreign nongovernmental organizations [NGO's] to hold a meeting in Bangkok in parallel with the Asia-Europe Meeting [ASEM] being held in the Thai capital early next month. Foreign Minister Alatas said this in reply to questions from reporters in Jakarta this afternoon.

[Begin recording] [Alatas, in progress] Please go ahead! NGO's are, in fact, very active every time an international conference takes place. Please go ahead! We will see the outcome of their meeting.

[Unidentified correspondent] Will it not affect [words indistinct]?

[Alatas] I do not think so. There will be no direct impact. [end recording]

The foreign minister said the Asia-Europe meetings have not been structured, and the first ASEM in Bangkok will focus on areas that could harmonize the views and steps of the two regions when looking toward the future.

Indonesia: Alatas on Discussing 'Irrelevant' Topics at ASEM

BK2702083696 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 27 Feb 96

[FBIS Translated Text] Indonesia hopes that irrelevant topics will be avoided at the Asia-Europe Meeting [ASEM], which will begin on 29 February in Bangkok. The participants should instead focus on political and economic cooperation between the two regions. Foreign Minister Ali Alatas expressed this in reply to questions from reporters. Earlier, he accompanied Ukrainian Foreign Minister Hennadiy Udovenko on a courtesy call on President Suharto at the Merdeka Palace in Jakarta.

Foreign Minister Ali Alatas cited the East Timor issue as one of the irrelevant topics because there is already a specific forum to discuss this issue. Alatas said Indonesia would be ready to anticipate possible attempts by any country to raise such irrelevant topics.

Indonesia: Seven Indian Nationals Face Deportation

BK2402142096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 24 Feb 96

[FBIS Translated Text] Seven Indian nationals have been barred from reentering North Sulawesi after being denied entry into Davao by the Philippine immigration authorities. (M. Amarjo), head of the Manado immigration office, says the seven Indian nationals entered Indonesia via Jakarta's Sukarno-Hatta Airport. They proceeded to North Sulawesi via Manado's Sam Ratulangi Airport. After spending 10 days in Manado, they continued their journey to Davao, but were denied entry by the Davao immigration authorities. The seven Indian nationals, whose tourist visas have expired, were immediately sent back to Jakarta for deportation.

Commenting on Philippine immigration's refusal to grant entry to the seven Indian men, (M. Amarjo) said the men may have had dubious intentions. They all had confirmed tickets to travel from Bangkok to Jakarta and Manila, but it turned out they preferred to enter the Philippines via Davao.

Indonesia: Alatas Receives Ukrainian Foreign Minister

BK2602134096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Feb 96

[FBIS Translated Text] Indonesia appreciates Ukrainian foreign policy, which is based on the principles of nonalignment and denuclearization. Ali Alatas, minister of foreign affairs of the Republic of Indonesia, said this at a news conference after the signing of an economic and technical cooperation agreement between Indonesia and Ukraine in Jakarta this afternoon.

The agreement was signed by Foreign Minister Ali Alatas and Ukrainian Foreign Minister Hennadiy Udovenko, representing their respective governments. The economic and technical cooperation agreement is to serve as a basis for the enhancement of economic and trade relations and technical cooperation, as well as for the formation of business partnerships between companies from the two countries.

Foreign Minister Udovenko is visiting Jakarta to pave the way for the Ukrainian president to visit Indonesia in April. He also met a number of economic ministers and Indonesian businessmen to enhance bilateral trade relations.

Indonesia: ICRC Team Fails To Meet Irian Jaya Hostages

BK2802082796 Jakarta ANTARA in Indonesian 0443 GMT 28 Feb 96

[FBIS Translated Excerpt] Wamena, 28 Feb (ANTARA) — A team from the Jakarta chapter of the ICRC [International Committee of the Red Cross], which was sent to Wamena, Jayawijaya district, Irian Jaya province, to assist ABRI [Armed Forces of the Republic of Indonesia] in freeing the hostages held by GPK [security disturbance movement] has thus far failed to meet with the hostages.

A military source said even though the ICRC team had managed to keep in touch with the GPK abductors, and even met with their two leaders, Daniel Yudas Kogoya and Kelly Kwalik, the team is still not allowed to meet with the hostages. The team had done its best to check the hostages' physical health, but the abductors did not allow them to do so.

"The two GPK leaders only said the hostages are in good condition," said the source. The military source said the abductors did not allow the ICRC team to meet with the hostages, who are being held at a secret location. As the ICRC team has not met the hostages, their true physical condition is unknown. [passage omitted]

Philippines

Philippines: APEC Business Conference Proposed

BK2802033096 Manila BUSINESS WORLD in English 27 Feb 96

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] Business executives from the region will finally have their say in the decision-making processes of the Asia Pacific Economic Cooperation (APEC) forum.

The Philippine Government, the grouping's current chair, wants the APEC leaders to hold extensive discussions with their counterparts from the business community during the informal APEC leaders meeting this November in Subic.

Foreign Affairs Undersecretary Federico Macaranas said the government is toying with the idea of having the APEC leaders meet with the business leaders "in a very involved session."

"We're not talking here of a dinner time where everyone eats and talks on the side. We're talking of a serious dialogue between the APEC leaders and the business leaders as the main agenda of the APEC leaders meeting this November," Mr. Macaranas said.

As APEC's current chair, the Philippines would like its leadership to be felt by making the private sector more involved in the organization's affairs, especially in its trade and investment liberalization agenda.

An APEC Business Advisory Council (ABAC), which replaces the Eminent Persons Group, has been established recently to allow the private sector to provide inputs to APEC's senior officials, ministers and leaders on the grouping's economic blueprint.

Mr. Macaranas said he received proposals from several business organizations in the country urging the government to allow representatives of ABAC to participate in some of APEC's more important meetings.

Diplomatic sources said former foreign affairs secretary Roberto Romulo, who is actively involved in organizing an APEC Business Conference, broached the idea of holding an interaction between the APEC leaders and the business leaders.

The idea was said to have been forwarded to President Ramos. The president has reportedly instructed Trade Secretary Rizalino Navarro and Foreign Affairs Secretary Domingo Siazon to ensure that the region's business leaders will be able to hold discussions with the APEC leaders.

Mr. Romulo, however, would neither confirm nor deny his involvement in initiating the aforementioned proposal.

In an interview with BUSINESS WORLD, he said it is important that the government encourage greater private sector participation in the APEC process "from the very beginning."

"During the first APEC summit in Blake Island, Washington, (American) President Clinton went out of his way to have a parallel meeting with American businessmen.

"And there were some Asian businessmen there, too because of the presence of PBEC (Pacific Basin Economic Council). He invited the chief executive officers to the welcome dinner with the APEC leaders.

"But since then, it has never happened in any of the leaders meetings that have taken place," Mr. Romulo said.

The former foreign affairs chief, who is now the chairman of Philippine Long Distance Telephone Co., said the creation of ABAC is a good indication of APEC's interest in involving the private sector in the grouping's affairs.

"The (Ramos) government must make sure the private sector is involved in the APEC process and not treat the private sector as though they're in peripheral meetings," he said.

The Philippines would like increased private sector participation to be the hallmark and the key focus item of this year's APEC process.

"I think it's fair to say that during the next APEC meetings direct inputs from the private sector will be given to the ministers and the leaders," Mr. Romulo said.

The proposed APEC Business Conference is expected to come up with a declaration which they will present to the leaders during their formal session with the latter.

"Symbolically, that means that for the first time in history, in a heads of state or government meeting, the inputs of the private sector are really there almost from the beginning," Mr. Romulo said.

Undersecretary Macaranas clarified, however, that the business leaders who would participate in the formal dialogue with the APEC leaders would not exactly come from ABAC.

"ABAC representatives do not necessarily have to be there, although the meeting will probably have one or two from ABAC," he said.

APEC incorporates 18 developing and developed economies that marshal 40% of the world's population, more than half of the world's gross domestic product, and over 40% of global exports.

It groups together Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

Philippines Official: ASEM Agenda Should Not Include East Timor

BK2802050796 Manila BUSINESS WORLD in English 28 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] While Portugal may seem determined to keep the Asians wide awake on the East Timor controversy at this week's Asia-Europe Meeting [ASEM] in Bangkok, Thailand, the Asian bloc is insisting that Europe honors its promise not to raise "controversial issues" during the summit. Foreign Affairs Undersecretary Rodolfo Severino said both sides have already agreed not to raise controversial issues like East Timor and human rights. "I hope the East Timor issue won't be discussed. As far as ASEAN (Association of Southeast Asian Nations) is concerned, that is an internal matter for Indonesia. We hope Portugal won't raise it," he told BUSINESS WORLD. "Portugal and Indonesia are talking about it bilaterally under the auspices of the United Nations, and that should continue. I don't think they should bring their bilateral problems to ASEM," he said.

Philippines: More on Reversal of Policy on SRV Refugees

BK2802050996 Manila BUSINESS WORLD in English 28 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Philippine Government has backtracked from its promise to legalize the stay of the remaining Vietnamese boat people in the country and now wants these asylum seekers to return to Vietnam by the end of June.

Foreign Affairs Undersecretary Rodolfo Severino said the boat people must leave the Palawan camp by or before 30 June this year because the government does not have the means to support them should they decide to stay. "They (Vietnamese) really have to go...We want the camp to be empty by June ... Integration is not an option for these asylum seekers. If they were led to believe they could stay here indefinitely, this was not raised by the Philippine Government," he told reporters yesterday. Although thousands of Vietnamese boat people in the region have said they would rather commit suicide than return to Vietnam, fearing they would only face persecution from the Hanoi government, Mr. Severino said there has never been any complaints from returning asylum seekers about their new life in Vietnam.

Philippines: Trade Gap for 1995 Widened by 16 Percent

BK2702083896 Manila BUSINESS WORLD in English 21 Feb 96 p 2

[Unattributed report]

[FBIS Transcribed Text] The trade gap widened by 16% in 1995. Latest data from the National Statistics Office (NSO) show the country registered a trade deficit of $9.108 billion last year $1.259 billion more than the year-ago level of $7.849 billion.

For the first time since 1991, export growth outpaced imports, registering total receipts of $17.37 billion, 28.85% higher than the previous year's $13.48 billion the NSO noted this growth rate is the highest registered since 1979.

The total value of imports for the year was, however, still bigger with $26.48 billion, 24.14% more than the 1994 value of $21.33 billion.

Consequently, total trade for 1995 also showed a 26% jump to $43.85 billion from last year's $34.82 billion.

As expected, electronics and components led imports for the entire year. Payments totalled $3.4 billion which is 19.72% higher than the previously recorded $2.84 billion.

Transport and equipment comprised the second largest group of imports with 1995, purchases totalling $2.008 billion, up by 10.33% from the 1994 figures.

Industrial machinery and equipment round up the country's top three imports last year with $2.32 billion.

Philippines Military: 'Rift' Brewing Among MILF Leadership

BK2702125196 Manila MANILA BULLETIN in English 18 Feb 96 p 30

[Report by Cena B. De Guzman]

[FBIS Transcribed Text] Matanog, Maguindanao — Military intelligence agents confirmed reports that a rift is brewing at the top leadership of the Moro Islamic Liberation Front (MILF) due mainly to financial matters and conflict in Islamization policy.

Intelligence reports disclosed that the MILF "earn" millions of pesos from "zakat" or money offering which they get from businessmen, including small farmers, in this province merely from one harvest season.

The military officer said that the MILF gets as much P [pesos] 9 million from one barangay [village] alone during harvest season in the province, but could get as much as P27 million.

It was learned that because of the huge amount of money being generated from the "zakat," corruption "existed" within the group, which mainly involves its leaders.

The intelligence officer said that not all of the money collected from the people are turned over to the leaders and that a portion of the collection goes to the pocket of the immediate superior of the collector.

"We have received reports that some of the leaders of the Moro rebel group deliberately do not turn over all of the collections to their superiors. They keep some for themselves. Maybe for their own personal reasons," the intelligence officer said.

The MILF also imposed upon the residents in this province to give one "ganta" [three liters dry measure] of rice or its equivalent in peso to the rebel group and that every first born of their livestock should be given to them (MILF).

But Matanog Mayor Ustadz Hakir Macapeges said that the plan of the MILF to put up an Islamic state failed as they cannot get the sympathy of the civilian community.

"The MILF has been planning for a long time to put up an Islamic state. But they failed. But the MILF is still pushing the issue," Macapeges said.

"But if this happens (Islamic state) the civilian community is willing to start the fight with the Moro rebels if they have the capability," he said.

"We are willing to do so (fight the rebels) if we have the capability to fight them (MILF)," Macapeges said.

Philippines: News Conference Held on MNLF Issue

BK2802022496 Manila BUSINESS WORLD in English 27 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The list of provinces that will be joining the autonomous area to be created once a peace pact in the south is forged is expected to be finalized in this Thursday's meeting between the Moro National Liberation Front (MNLF) and the 13 local government representatives.

In a press conference held at Camp Aguinaldo, Ambassador Manuel Yan and Batangas Representative Eduardo Ermita, chairman and vice-chairman respectively of the government panel negotiating with the MNLF, said the meet on 29 February will allow the MNLF to consult with the local executives whether their provinces would like to join. "The local executives will get a chance to hold a dialogue with (MNLF chairman) Nur Misuari and determine what provinces are inclined to join the autonomous region," Mr. Yan said. However, some people involved in the peace process speculate there may only be one new addition to the present Autonomous Region for Muslim Mindanao (ARMM). Basilan is expected to shift to the side of the MNLF with Maguindanao, Sulu, Tawi-Tawi and Lanao del Sur, the provinces presently composing the ARMM.

Thailand

Thai Minister on Fears of U.S. Antidrug Reprisals

BK2702054796 Bangkok THE NATION in English 27 Feb 96 p A6

[Report by Piyanat Siwalo, Pharit Lamphongphaibun]

[FBIS Transcribed Text] PM'S [Prime Minister's] Office Minister Prasong Buranaphong yesterday dismissed speculation that the United States is likely to cut its aid in the fight against illegal drugs to 31 countries it has listed as major illicit drug producers or drug transit points.

Prasong said he believes the United States will continue providing aid for anti-drug projects to the listed countries, including Thailand, in order to tackle the problem as the drugs are usually destined for the United States.

"Being on the list does not mean Thailand will be ineligible for U.S. aid, but instead the United States will carry on its assistance in order to stop the flow of drugs destined to end up in their country," Prasong said.

A senior official in the Office of Narcotics Control Board (ONCB) said the U.S. Government will evaluate a listed country's attempts to combat the drug problem when it considers whether to provide or continue the aid.

"Thailand has been among the top 10 countries identified by the U.S. Congress for lending its full and best efforts to tackle drug- related crime. The United States has given no sign that it will cease providing anti-drug aid to Thailand," he stressed.

"It is a common, annual practice of the U.S. Government to list countries regarded as major producers of illicit drugs or transit countries for those drugs. The U.S. President will subsequently consider whether or not to cut the assistance depending on each country's cooperation in tackling the problem," the ONCB official said.

That cooperation involves promulgation of legislation and regulations in tackling the illicit drug trade, he said, adding that being on the list is nothing new as Thailand has been listed every year.

Under the U.S. Foreign Assistance Act of 1961, the president must identify each country that produces illicit drugs and/or participates in their trafficking to the United States.

By March 1, President Bill Clinton must decide if the countries on the list will remain eligible for U.S. aid. That decision is based on whether it has evidence to show which countries are conducting an efficient fight against illegal drugs and their trafficking. The president may waive the aid cut if he deems it to be beneficial to the national interest to continue funding.

Prasong said Thailand has worked hard to eliminate drug smuggling on and through its territory, and has not relied solely on foreign aid.

"The government will increase the budget for drug suppression, which requires long-term measures, because we have to do our best to tackle this problem. We expect the entire international community (not only the United States) to realise our endeavours," Prasong said.

He fully expects Thailand will continue to receive U.S. aid. In 1994 it obtained US$2.35 million (Baht 58.75 million) and in 1995 $1.14 million.

"The aid dropped because Thailand has achieved positive results in suppressing drugs, switching from being a major producer to only a transit point," said Prasong, who oversees the ONCB.

Any further suppression of drugs will have to be implemented with cooperation from regional countries, he said.

Other countries on the list are Afghanistan, The Bahamas, Belize, Bolivia, Brazil, Burma, Cambodia, China, Colombia, the Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Iran, Jamaica, Laos, Lebanon, Malaysia, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Syria, Taiwan, Venezuela and Vietnam.

Police Chief Pol Gen [Police General] Phot Bunyachinda said his department has given its full support to the U.S. representatives based in Bangkok in combatting the illicit drug trade. "The U.S. authorities have praised us on the arrest of 11 suspected drug traffickers in the northern region. I want to stress that presently Thailand is only a transit point for drugs, no longer a major venue for the production of illicit drugs," Phot said.

Interior Ministry's Permanent Secretary Ari Wongaraya yesterday said the problem of illicit drugs still remained as the drug business is still rampant in certain neighbouring countries.

"Thailand is geographically located in the middle, so other countries, including the United States should sympathize with us."

Thai Government To Comply With U.S. Shrimping Regulations

BK2802043396 Bangkok ASIA TIMES in English 28 Feb 96 p 4

[Article by Thomas Crampton, Vissuta Pothong: "Thailand Goes Solo in U.S. Shrimp Dispute"]

[FBIS Transcribed Text] As Asia prepares to present a unified front at the Europe-Asia summit in Bangkok this week, Thailand has broken ranks with India, Indonesia, Malaysia and South Korea in a trade dispute with the United States.

The Thai Government — acting under pressure from the aquaculture lobby — will comply with U.S. regulations that require certification that shrimp are caught with nets incorporating a turtle excluder device.

Thailand's permanent mission to the World Trade Organization [WTO] had last week suggested the country join Asia's most significant shrimp exporting nations in opposing the U.S. environmental guideline — as accepting it was paramount to an extraterritorial imposition of national laws.

The U.S. threat of an import embargo on countries failing to comply was against world trade regulations, the Thai WTO office statement added.

The Thai Government, however, would within two weeks seek cabinet approval to unilaterally accept the regulations and thus offer a considerable opportunity for profit for the country's largely farm- based shrimping industry, according to Sumitra Vorakulchalerm, deputy director-general of the Thai Commerce Ministry's foreign trade department.

"If we joined with them against the United States it would adversely affect Thai shrimp exports," she said.

"We are a small country and should not do anything that will hurt our market share," she added.

Thailand is the largest shrimp exporter to the United States, with about five to six percent of total market share. Asia, as a whole, accounts for about 78 percent of world shrimp production.

But ingratiating U.S. trade representatives is not the only motivation behind the Thai move. The vast majority of Thailand's expected 55 billion baht (US$2.2 billion) in shrimp exports to the United States this year are farmed and thus would be unaffected by the regulation.

The other Asian countries battling for the U.S. market mainly export fished shrimp and will be hard hit by the rule.

Thailand's largest shrimp exporter, Charoen Pokphand Group, sells only farm-grown shrimp.

All member countries of the Association of Southeast Asian Nations, as well Australia, Bangladesh, China, India and South Korea are Thailand's rivals for farmed and fished shrimp exports to the United States market.

The measure, if it is not overthrown by the U.S. Court of International Trade, will be applied from May 1. Thailand stands to gain a larger share of the U.S. market if other Asian shrimp exporters fail to prove that fished shrimp are caught with nets incorporating the turtle excluder device.

The regulation was originally intended to apply to Caribbean and Atlantic shrimp fishing fleets, but in December a U.S. court challenge by environmental groups forced the Clinton administration to apply provisions of the Endangered Species Act to all imported shrimp.

Thailand: Italian Envoy Not Expecting Any Clash at Summit

BK2702055396 Bangkok THE NATION in English 27 Feb 96 p A10

[Report by Chirawat Na Thalang, Yindi Loetcharoenchok]

[FBIS Transcribed Text] The European Union [EU] does not intend to try and impose its social thinking and system on East Asia when leaders of the two rapidly-growing economic continents meet for their first Asia-Europe summit meeting (ASEM) this week.

Although the respect of human rights is an important issue for European people, the 15 heads of state and government "do not want to impose our system on another", the Italian Ambassador to Thailand, Leopoldo Ferri de Lazara, said yesterday.

"But we cannot abandon the principles on which our system is based."

Despite speculation that some European countries will raise the sensitive issues of human rights and the exploitation of child labour during the forum, Ferri de Lazara said he foresees no confrontation when the EU leaders hold the historic meeting with the 10 Asian leaders.

He said there will be very little time for the forum to discuss particular issues in detail and the leaders themselves "are meeting with positive, not negative intentions, so I don't feel that they want confrontation.

"Anything can happen, but it (confrontation) is not wanted and is not planned. If we can, we would like to avoid it because we wish first of all to develop the positive consequences of ASEM."

The Italian ambassador said that while non-governmental organizations (NGO's) have a useful purpose in raising public awareness on certain problems in society, the EU does not consider them to be staging an alternative forum to the leaders.

He said that if the NGO's act correctly they can do a useful job in the sense that certain problems, such as the environment, can be brought into focus through their intervention but the EU is not accustomed to mix the two things together.

Although the policy of EU countries is never the policy of NGO's, he added, the European countries feel that it is a very important forum to debate certain aspects such as environment protection, protection of women and children and the battle against some social ills.

Over 100 NGO's will start a three-day conference in Bangkok today as part of a parallel forum to the ASEM meeting.

They plan to discuss wide-ranging political, economic, social and cultural issues of the two continents that affect the lives of their people.

Ferri de Lazara said he believes that development of a country depends very much on the development of freedom of expression and information and that the new age of information technology will help bring about more democracy for the members of the world community.

"The new age of technology will mean freedom of information. This is often closely connected with the development of democracy and is one of the positive elements working in favour of democracy," he said.

The envoy said EU wants to develop a partnership with Asia and expressed the hope that after ASEM the two regions will have better relations with the United States in "a triangle system."

North America, including the United States, has close relations with East Asia through the annual summit meeting of leaders under the Asia-Pacific Economic Cooperation (APEC) which was set up in 1989 to strengthen economic cooperation.

"It is necessary that the three sides should have more or less the same strength, so there is no danger of antagonizing anyone. We do not want to see groups fighting each other," Ferri de Lazara added.

He allayed the concerns of some Asian countries that the absence of some EU leaders from the ASEM would weaken the significance of the summit or indicate less European interest in Asia, saying that the reason for the absence of certain leaders was because of unexpected circumstances such as general elections back home.

He said the big EU economies will have a high level of participation at the gathering displaying their strong interest in East Asia.

Thailand: Burmese Junta's Image at Asia-Europe Summit Viewed

BK2702080596 Bangkok BANGKOK POST in English 27 Feb 96 p 4

[Editorial: "SLORC Likely To Get Respect It Deserves"]

[FBIS Transcribed Text] The only person ever elected as the leader of Burma has continued to work, quietly, to install democracy in the nation. The campaign has turned hard again for Aung San Suu Kyi and her followers. Nearly eight years have passed since the ruling State Law and Order Restoration Council (SLORC) seized power in a brutal and bloody coup. Nearly six years have gone by since Mrs. Suu Kyi won election as her country's head of government while under house arrest. Another four years have passed since she won the Nobel Peace Prize and it has been seven months since she was released from her prison by Rangoon authorities.

During that time, the ruling military junta has worked at two tasks: to consolidate power and to improve its image. It has, lamentably, received help in both these tasks from neighbours, not least of all Thailand. Burma will sit as an equal among the 10 Asian nations at next week's Europe-Asia summit in Bangkok. It should not be lost on either participants or observers, however, that Burma deserves the title of "least equal" among all the countries represented at this important summit. Its leaders will receive the diplomatic protocols accorded to all heads of government. They will not be accorded the same respect.

In Rangoon, Mrs. Suu Kyi is nominally free. She also is isolated to a major extent by a SLORC campaign of arrests and intimidation. Rangoon has tried to walk a fine line in its foreign and domestic policy. No one can ignore, however, that much sham lies behind the smiles and diplomatic niceties the regime will bring to the Bangkok meeting. Foreign leaders and diplomats have been told by the junta they are unwelcome in Burma if they intend to speak to Mrs. Suu Kyi. Australian Prime Minister Paul Keating — a friend of ASEAN and Southeast Asia — has been singled out as a would-be guest who can forget about any plans to visit Rangoon.

The release of Mrs. Suu Kyi from house arrest last July was a cause for celebration. It was also a strong test of the Rangoon regime's good will. Since then, SLORC has failed this test. Instead of proceeding to talk with Mrs. Suu Kyi about the future of Burma, the junta shunned her. Instead of holding negotiations with pro- democracy advocates in Burma, the regime rammed through a constitutional convention. Instead of encouraging discussion of visions for their country, SLORC arrested those who dared to spread their ideas.

As a few realists predicted last year, Rangoon released Mrs. Suu Kyi in the cynical belief her gains and goals would die in oblivion. She has had no access to the government-controlled media, and cannot travel to meet her supporters. The same regime which at least met with "The Lady" during her imprisonment now refuses all contact with her. The question now is what happens next in Burma?

Mrs. Suu Kyi has wisely counselled the many Burmese who favour democracy and a free political system to keep a check on their emotions. The memories of the army's brutal suppression of 1988 remains fresh in her mind. It is clear that SLORC is prepared to gun down more thousands of unarmed Burmese in case they should again take their case for democracy to the streets. "The Burmese people know how to bide their time," Mrs. Suu Kyi said recently. It is important for them, and for Burma, that they continue to do so.

This does not mean that all those who cherish freedom must remain silent, however. Governments and private citizens must continue to press the Burmese junta to listen to their own people. Our own government, while continuing formal diplomatic relations with the Rangoon regime, should reconsider its so-called "constructive engagement" policy. It has proved to be not very constructive, and it seldom engages Burmese leaders in meaningful discussion. As citizens of a free country, we should impress on our authorities we wish the same good fortune for our neighbours.

The truth is Burma's politically recalcitrant government continues to hold power through the barrels of its guns. There is only one way it can gain the respect it seems to desire. It must engage its political opposition, including Mrs. Suu Kyi, in meaningful discussion.

If it merely continues its brutal methods of arrests, and intimidation and worse, SLORC will only get the respect it earns. And that is very little.

Thailand: EC Chief Says ASEM Agenda Includes Human Rights

BK2802044196 Bangkok THE NATION in English 28 Feb 96 p A3

[Report by Marisa Chimprapha and Chirawat Na Thalang]

[FBIS Transcribed Text] The president of the European Commission, Jacques Santer, said yesterday that human rights, child labour and social issues would not be left off the agenda of the Asia-Europe Meeting [ASEM] in Bangkok.

Santer, however, stressed that such issues would not be discussed in an atmosphere of confrontation or negotiation. The commission would, however, raise social issues to show the European Union's (EU) readiness to assist Asian countries to face such problems.

"The meeting is the beginning of a long march in the process of bringing people together and learning about each other's problems. There is no doubt we will discuss the problems at a later stage," Santer said yesterday.

Nothing has been excluded from the agenda and there will be discussions of all problem issues among leaders of the two regions, Santer stressed.

Asian countries, represented by the ASEAN grouping and China, South Korea, and Japan, regard social issues as sensitive matters which the European countries should not raise at the meeting. They view the EU's attempt to link social matters with trade as protectionism.

Vice President of the European Commission, Sir Leon Brittan, however, noted that both Asian and European countries are all members of the United Nations and have subscribed to the UN Convention on Human Rights. The discussion of social issues should, therefore, take place in a multilateral framework.

However, these will not be the main problems to be discussed in the meeting, he said, and there will be comprehensive discussions on several issues.

Brittan said the message from the EU is that "the EU is ready to help Asia".

"We will explain to them that bringing up social issues does not amount to trade protectionism against Asian countries."

Santer said the EU plans to use ASEM to promote political and economic cooperation between the two regions.

Firstly, he said, the meeting would promote political dialogue between the two regions, and it would also be a great opportunity to expand cooperation in other areas. The second element of the meeting would concern economic cooperation.

Santer said the EU and Asian countries should commit themselves to trade liberalization under the World Trade Organization (WTO).

Brittan said the EU would probably discuss with its Asian partners the multilateral agreement on investment, which is being discussed by the 26 members of the Organisation for Economic Cooperation and Development (OECD).

He urged Asian countries that are not OECD members to express their views before a final investment agreement is concluded. The European Commission hopes to extend the agreement to nonmembers of the OECD and to all members of the WTO at a later stage.

Asian economic ministers have said they would urge their European partners to open their markets to Asia by following the timeframe of the Asia Pacific Economic Cooperation (APEC).

Brittan stated that the European Union has already taken steps to liberalize its markets according to its own timeframe. For instance, he said, EU members have already taken steps to liberalize their telecommunications sector.

He said the EU is keen to hold discussions with APEC members in the context of "open regionalism". "We will look at that in a constructive way," he said.

Brittan said the public should perceive the meeting as relevant to them because it would help the governments of both regions promote trade and investment, thus providing more jobs for people in Asia. That would also be the case for Europeans, he said.

Manuel Marin, vice president of the EC, said the European Union is looking to bring India into future Asia-Europe summit meetings.

A European team will travel to India soon after the Bangkok meeting to invite the country to future summits between the two regions.

"We have decided that immediately after the meeting we will visit India to show the intention of the EU to invite it to take part in the next conference," Marin said.

India has in recent years expressed the desire to improve ties with East Asia, and with booming Southeast Asia, in particular.

Thailand: Government Not Blocking NGO's Meeting

BK2702081296 Bangkok BANGKOK POST in English 27 Feb 96 p 8

[Unattributed report]

[FBIS Transcribed Text] The government has not attempted to block non-governmental organisations [NGO's] from holding a parallel meeting to the Asia-Europe summit [ASEM] on March 1-2, government spokesman Somsak Pritsananthakun said yesterday.

Mr. Somsak denied that government agencies have indirectly ordered Bangkok hotels to inform the NGO's that their facilities have already been reserved for other functions and would not be available for their meeting.

"The government is not that narrow-minded," Mr. Somsak said.

Commissioners from the Central Investigation and Special Branch bureaus confirmed that they have not issued any orders banning the NGO meeting, he said.

Reports recently surfaced that the government might try to pressure the NGO's to call off their meeting while the summit is in progress for fear they might call the attention of Asian and European leaders to such sensitive issues as human rights violations.

Mr. Somsak said the dissatisfaction felt by some countries because social and human rights problems probably won't be discussed at the Asia-Europe Meeting would not seriously effect Thailand.

Participating leaders can raise any topics they wish at the ASEM, he said.

Deputy Prime Minister Amnuai Wirawan said he considers the NGO meeting to discuss human rights problems as a common occurrence, saying it is a topic which is always raised at other summits.

Thai Editorial Urges No Intimidation of NGO's at ASEM

BK2802154696 Bangkok MATICHON in Thai 28 Feb 96 p 20

[Editorial: "ASEM Summit"]

[FBIS Translated Text] The government's image will be badly tarnished if pressure is applied to prevent a meeting of nongovernmental organizations [NGO's] to be held at a Bangkok hotel prior to the Asia-Europe Meeting [ASEM] summit. There was a report earlier that certain government officials had forced another hotel to cancel its lease to the company that managed a television program with contents that had displeased the government. Therefore, it is certain that the government will face criticism and not praise if it pressures the hotel to reject the aforementioned meeting of NGO's.

The government should clarify its position and give assurances that there will be no open or tacit attempts to prevent the holding of the planned NGO meeting. Such assurances would demonstrate that the government emphasizes people's freedom of expression and freedom to gather for the purpose of such expression. This freedom is a basic right of the people under the Constitution. The government must be open-minded enough to accept criticism. If it accepts only applause, it will be no different than a blind government that cannot see its own reflection.

To host the first ASEM summit provides a golden opportunity for the government to show that it is a good democratic administration. Being a democratic government means being open-minded enough to tolerate different views and criticism, as long as the expression of such criticism does not impinge on other people's freedom or violate the law. Therefore, the meeting of local and foreign NGO's should be allowed to take place and should not be interrupted in any way.

The government, particularly the ministers concerned, should issue verbal instructions to ensure that no government units carry out actions in excess of their duties just to please them. Such concrete instructions, in verbal or written form, will demonstrate the government's sincere wish not to see any intimidation of the NGO's. It will help shield the government against criticism caused by the actions of overzealous or fawning officials.

The ASEM summit gives the Thai Government a golden opportunity to establish credibility in the international arena. Credibility does not come from merely providing good security and an extraordinary reception for the summit participants, but also from good management of internal issues and the people. In particular, the guarantee of freedom in a democratic system is the major point that will determine the credibility of the current government in the eyes of the foreign participants.

Thai Editorial Criticizes Government's Antihuman Rights Stand

BK2802161596 Bangkok SIAM POST in Thai 28 Feb 96 p 4

[Editorial: "Ambiguous Democracy"]

[FBIS Translated Text] The government can become a target of criticism for having violated the people's liberty if it manages to call off a meeting of nongovernmental organizations [NGO's] from several Asian and European countries, previously scheduled to take place at a Bangkok hotel on 27-29 February.

The reason behind this is that the government does not want to see any of the reaction or criticism anticipated from canceling the meeting against child labor abuse, child prostitution, and violations of human rights in Burma, East Timor, and some other countries during the Asia-Europe Meeting [ASEM] on 1-2 March.

This behavior and attitude of the government, therefore, runs counter to the democratic atmosphere now prevailing in all parts of the world. Generally speaking, it is the right of the people to engage in human rights activities and to discuss social problems. The government's maneuver in this regard has probably violated the rights and freedoms of the people that are prescribed in the Constitution.

As a matter of fact, the planned NGO meeting and related human rights activities should not be obstructed. Everyone should consider it a duty to make a contribution to the relief of the suffering and hardships of mankind. Such an important meeting like ASEM should be aware of the problems and try to consolidate joint efforts to work out their solutions.

It is believed that the objective of the NGO's in holding the meeting in Bangkok was to sum up all of the human rights-related problems, such as child labor abuse, child prostitution, and military aggression, for presentation to ASEM.

Although ASEM will concentrate on issues related to social, political, and development cooperation, since they are believed to be the major ingredients of world peace, the problems of child labor abuse, child prostitution, and the violation of human rights are also important to the peace and well-being of the world community.

The previous government under the premiership of Chuan Likphai permitted seven foreign human rights activists and Tibetan spiritual leader Dalai Lama to launch a campaign in Thailand from 13-22 February 1994 to call on the Burmese military government to release Aung San Suu Kyi and to respect human rights in Burma.

It should be noted that former Prime Minister Chuan Likphai's decision in this regard was opposed by not only some top military leaders but also by the leaders of some political parties; however, the campaign was carried out smoothly. The world community praised Chuan as the leader of a truly democratic government.

It is a historic honor for Thailand to have the opportunity to host ASEM, in which leaders from 25 Asian and European countries will participate. Unfortunately, in handling this special occasion, the government has also manifested its attitude against the people's freedom and international human rights.

Thai BoI Issues Results of ASEAN Study on Industry

BK2602095796 Bangkok THE NATION in English 26 Feb 96 p B2

[Report by Phitchaya Changson]

[FBIS Transcribed Text] The Board of Investment [BoI] last Friday issued the results of a comparative study of eight key industries in five Southeast Asian countries which found that Thailand and Indonesia are the largest producers in three or four industries.

Thailand is the largest producer of automobiles, petrochemical products, cement and downstream textiles—knitting and sewing—while Indonesia is the largest producer of steel, glass, pulp and paper and upstream textiles—weaving and spinning.

Singapore leads the overall electronics industry, although Malaysia has a higher output of some products including televisions, videos, Floppy-disk drives, monitors and integrated circuits.

The study, however, is only at a preliminary stage and takes into account production, demand and other basic figures such as the import and export volumes of some products in the eight selected industries.

Staphon Kawitanon, the BoI secretary general, said his office will expand its study to cover as many as 50 industries and broaden it to a company level "to determine which company is the key player in each industry in the ASEAN region."

There is a strong relationship between production and demand in most of the eight industries, meaning that the largest producing countries also have the largest markets with the exception of the steel industry as Thailand is the largest market but Indonesia is the largest producer in all three sub-segments, including upstream, at 1.33 million tonnes; flat products, at 2.88 million tonnes; and long products, at 2.42 million tonnes.

Demand in Thailand's steel market in 1994 totalled 7.89 million tonnes. Indonesia and Malaysia were the second and third largest markets with demand of 5.11 million tonnes and 4.48 million tonnes respectively.

Unlike Indonesia and Malaysia, Thailand has basic steel industries but some production might commence in the near future as the BoI recently approved several projects. In terms of mid-stream steel production, Thailand ranks third in both the long and flat product segments, he said.

Electronics [subhead]

With its total production value of U.S. $7.1 billion, Thailand ranks third after Singapore and Malaysia, which have annual outputs worth $17.2 billion and $12.1 billion respectively.

In terms of production, Thailand follows Malaysia or Singapore as the second largest producer of televisions, at 9.22 million sets per year; videos, at 7.2 million units; floppy disk drives, at 20.04 million units; hard disk drives, at 15.9 million units; and monitors, 3.54 million units.

At $1.2 billion, Thailand's IC industry is larger than Indonesia's, which is worth $920 million, but smaller than Singapore's $3.3 billion industry and Malaysia's $4.1 billion industry.

Automobiles [subhead]

With an annual capacity of 640,000 units, Thailand's automobile industry is the largest in the ASEAN region with demand reaching 486,000 vehicles in 1994.

Citing figures from the World Automotive Report, the BoI said Indonesia and Malaysia rank second and third respectively in terms of both production and demand. With production of 130,000 units and demand of 104,000 units, the Philippines, which is competing with Thailand to become the first regional production base for US-based General Motors, ranks fourth in both categories.

Petrochemical [subhead]

Regarding both upstream and downstream petrochemical production, Thailand is the largest and Indonesia the second largest producer in every product category excluding polystyrene, where Singapore ranks second after Thailand.

Glass [subhead]

With an annual production capacity of 523,000 tonnes in 1994, Thailand's glass industry ranks second after Indonesia's, which has a production capacity of 791,000 tonnes. Malaysia and the Philippines rank third and fourth with annual outputs of 329,000 tonnes and 149,000 tonnes respectively.

In terms of demand, the order is the same as there are surplus capacities in all four countries.

Textiles [subhead]

With its 6.6 million spinning machines and 200,000 weaving machines, Indonesia is the largest textile producer in ASEAN followed by Thailand, with 3.8 million spinning and 140,000 weaving machines; and Malaysia, with 700,000 spinning and 100,000 weaving machines.

But in the knitting and sewing industries, Indonesia, which has 38,000 knitting and 235,000 sewing machines, follows Thailand, which has 116,000 and 771,000 machines respectively.

Cement [subhead]

With an annual production capacity of 35.4 million tonnes, Thailand is the largest cement producer in ASEAN followed by Indonesia, with 24.4 million tonnes; Malaysia, with 11.8 million tonnes; the Philippines, with 11.3 million tonnes; and Singapore, with 3.9 million tonnes. The ranking is the same in terms of market size.

Pulp & Paper [subhead]

Indonesia's paper market of 2.4 million tonnes is only slightly larger than Thailand's 2.04 million tonne market, but Indonesia's paper industry, at 3.05 million tonnes, is 1.8 times bigger than Thailand's 1.64 million tonne industry. The Philippines ranks third with production of 526,000 tonnes and demand of 856,000 tonnes for paper products.

Thai Support for PRC WTO Bid Linked to Open Markets

BK2602102196 Bangkok BANGKOK POST in English 26 Feb 96 pp 17, 18

[Report by Somphon Thapanachai]

[FBIS Transcribed Text] Thailand will not support China's admission to the World Trade Organisation until China allows Thai exporters greater access to its huge market, especially in agricultural products including rice and rubber.

According to a Commerce Ministry source, Asian economic ministers meeting recently in Chiang Rai had vowed to support China's admission to the WTO. However, Thailand is withholding its full support until the market access issue, specifically nontariff barriers imposed by Beijing, can be resolved.

Officials from both sides had held negotiations on the issue in Geneva but no agreement could be reached because the Chinese side had backtracked on previous offers it had made to back its application for WTO membership.

China now wants to increase tariffs on imports of rice, contrary to its earlier offer to waive tariffs on this product. China and Thailand also continue to have differences over the amount of rice import quotas. Thailand has insisted that they must be based on a minimum-access method.

China also wants to set quotas on rubber imports from Thailand. The Thai side has countered that quotas will result in Thai exports facing greater barriers. China is a major market for Thai rubber.

The source said that only Thailand among the ASEAN countries had asked for negotiations with China on its admission to WTO, because Thailand believed China should reduce its barriers before entering the international trading system.

However, Thailand supports China's admission as a developing nation while the United States has put strong pressure on Beijing to enter the WTO as a developed country. Developing countries have more time to lower their trade barriers than developed ones.

The source said the US also wanted China to agree to a review of its trade policy every three years, and to accept a safeguards system under which other countries could prevent damage to their industries from dumping of cheap Chinese products.

The US and European Union also want China to adopt the "national treatment" principle of the WTO, which makes it mandatory for every member to treat foreigners on an equal basis as their citizens.

The ministry source said China had recently reduced tariffs on a number of products, but this did not mean that trade barriers had been fully eliminated because many of non-tariff barriers still remained, such as quotas for state enterprises.

She said that both the US and China lobbied Thailand to publicly indicate the country's position an China's admission to WTO. "Politically, [Thailand] has voiced support for China's admission, but it still believes Beijing needs to improve itself," she added.

Thai General on Burma Border, Banhan's Rangoon Visit

BK2702083996 Bangkok BANGKOK POST in English 27 Feb 96 p 8

[Report by Watsana Nanum from Mae Sai, Chiang Rai]

[FBIS Transcribed Text] Army deputy commander Gen. Chetha Thanacharo yesterday said the border checkpoint here, opposite Burma's Tha Chilek would be reopened before Prime Minister Banhan Sinlapa-acha officially visits Rangoon.

Gen. Chetha gave his assurance after lunch with Burma's regional army commander Maj. Gen. Tin Htut at Tha Chilek where the border has been closed since March 21 last year.

"The border has been closed a long time. Now it is the right time to reopen it."

"It would be certainly reopened before our prime minister makes his official visit to strengthen bilateral ties" said the army deputy commander.

Prime Minister Banhan has not yet decided when he would make the visit while Burma was hopeful the Thai premier could come between March 18-20.

Gen. Chetha flew to Mae Sai yesterday and walked across the border to Tha Chilek where he had a two-and-a-half hour meeting with Maj. Gen. Tin Htut at a military outpost.

Military sources said Gen. Chetha last Friday met Lt. Gen. Khin Nyunt, first secretary of Burma's State Law and Order Restoration Council, in Burma where the junta strongman told Gen. Chetha of Rangoon's wish to see an improvement in the relationship.

The army deputy commander said he did not think anyone would gain anything if the mistrust and tension along the common border was not resolved.

Gen. Chetha said it would be useless for either side to blame the other over problems in the area as it would lead to more confrontation.

"Our bilateral relationship is much more important than anything else and we should try to strengthen it," said Gen. Chetha.

Gen. Chetha said he had told Maj. Gen. Tin Htut, Burma's Eastern Forces commander, to swiftly contact local Thai officials posted along the border if problems occur.

Commenting on the 43 million baht compensation claim made by Burma over the killing of three Burmese during Khun Sa's Mong Tai Army assault on Burmese forces early last year, Gen. Chetha said Rangoon had asked for understanding on the issue as it was Burmese people who suffered from their relatives' death.

Burma has insisted that Thailand must take direct responsibility over the incident as they claimed that Khun Sa's forces launched its assault from Thai soil.

Thai authorities deny this.

Gen. Chetha said the issue has already been raised for discussion earlier in Burma, adding that payment might have to be made but the amount of money to be paid would not be as high as the Burma demand.

"We have not discussed the amount of money to be paid as it would lead to more problems.'

"Burma wants to see us show our sympathy to its suffering people," said Gen. Chetha.

He is scheduled to make a trip to Koh Song, opposite Ranong Province, tomorrow where he will meet Burma's Southeastern Forces' Commander Maj. Gen. Ket Sein.

Gen. Chetha said he was optimistic the trip would lead to the opening of Ranong's border checkpoint.

Thailand: Economic Hope for Indochina, Burma Viewed

BK2702112896 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 27 Feb 96 p 3

[Report by "special correspondent": "Politics Better Guide Than Economic Data"]

[FBIS Transcribed Text] Watch out for political developments in Indochina and Burma in coming months, as these will be a more reliable gauge of the state of the various nations than economic indicators.

This was the conclusion reached by speakers at a recent Economist Conferences session in Bangkok organised by Dataconsult Ltd.

"Will Myanmar's [Burma] economic promise remain locked in the grip of political intransigence? Will Vietnam's old guard slam the brakes on liberalisation at the Communist Party Congress?" asked Michael Vatikiotis of the FAR EASTERN ECONOMIC REVIEW.

Looking first at Burma, he noted that the release of Aung San Suu Kyi had enabled the military leaders to highlight the opposition leader's political vulnerability while remaining very much in command.

"In other words, it was an astute move which earned the SLORC [State Law and Order Restoration Council] points abroad and allowed the military junta to inch toward a further consolidation of power," he said.

While seeing the greater engagement of the International Monetary Fund as a positive development, he pointed out that with a further softening of the international community's attitude toward Burma unlikely, the best economic hope for the country this year will be the continued use of Japanese private capital.

While investor interest is increasing, the flood gates cannot open until the political stand-off between the junta and the opposition is resolved to the satisfaction of the international community and multilateral funding becomes available.

On this subject, Dataconsult's Christopher Bruton wondered if repeated condemnations of Burma were not inconsistent with attitudes to other states run on similar lines and suggested it was time for a reappraisal.

Turning to Vietnam, the conference saw the country approaching a political watershed with an expected contest between the old guard and reformists at the party congress in June.

As for who will win, it was noted that recent attacks on the United States and tighter regulations for foreign investors suggested it would be unwise to underestimate the conservative vanguard.

By contrast it appeared that in Cambodia Second Prime Minister Hun Sen's manifest commitment to destroying the opposition ahead of the next elections had stopped short of reversing the country's pro- investment policies and that the economy should weather out the storm.

Politics will also determine the course of business in Laos, according to Gene Davis of venture capital firm Finansa Thai.

He noted that the country is caught between opposing forces. Politically, Laos is closely aligned with the older generation of Vietnamese warriors and, like them, the leadership tends to be rather conservative.

On the other front, investment by wealthy northern Thais have raised concern that they are gaining control of substantial parts of the country, a development which the leadership could respond to by slamming the brakes on liberalisation.

Another major political factor which, according to Mr. Vatikiotis, will determine economic development in these countries is the likelihood that the Burmese Government will finish this dry season in possession of its entire border with Thailand for the first time in nearly half a century, which would have immediate ramifications for Thai-Burmese relations.

The inexorable rise of China and the expansion of cooperation in the Mekong river basin to include all ASEAN members agreed at the fifth summit of the Association of Southeast Asian Nations in Bangkok last December, will also set the tone of economic developments.

According to Mr. Vatikiotis, ASEAN's decision will alter two objectives.

Firstly, it dilutes Thai claims to being the hub for regional investment with which the recent politicisation of Thai foreign policy have been of increasing concern to other ASEAN members which also want a piece of the pie.

Secondly, it aims to draw China closer to Southeast Asia, which is likely to be a major theme in the coming year.

The issues being tackled will include the context for the greater economic integration or engagement of China in the region, the kind of investment China deploys in the region and the physical links being established with China's margins where they impinge on Southeast Asia.

In conclusion, Mr. Davis predicted that now that peace is breaking out all over the region integration with the international community is proceeding apace, and pragmatism appears to be triumphing over dogma greater prosperity will certainly follow.

Thai Paper Views Border Conflict With Malaysia

BK2702113496 Bangkok BUSINESS DAY in English 27 Feb 96 p 4

[Editorial: "Flimsy Walls Don't Solve Border Disputes"]

[FBIS Transcribed Text] We hope that Malaysia's decision to build a wall along its border with Thailand won't escalate into a dispute involving claims and counter claims of territorial sovereignty. Thailand and Malaysia have every reason to be good neighbors, and so emotionally charged issues of territorial encroachment are best kept at bay.

We have seen sections of the wall being built and aren't particularly impressed with either the design or the construction. The word "flimsy" comes to mind. But in any case, throughout history walls across borders have never been known to keep people out or in. To people who live along the borders an invisible demarcation line makes no sense.

As for smugglers on both sides of the border, it would be a gross underestimation of their resourcefulness and determination to think that a thin slab of cement is all that it takes to make them realize the futility of their ways. In other words, the smugglers will find a way under, over, around or through the Malaysia wall.

One has to wonder what the true motives are for putting the wall up in the first place, for an assumption has to be made that the Malaysian authorities know full well that cross border migration and trade can't be controlled in manner.

Is the decision to put up the wall made at the highest levels of the Malaysian government, or are local authorities behind this move?

And if the local authorities are the ones making the decision, are they doing so merely as a defiant symbolic gesture?

Whatever the motives may be, it is time now to allow common sense to prevail. First, if Malaysia can't think of a more constructive way to deal with border issues than to build the wall, so be it, but steps must be taken to ensure that the territorial encroachment issue does not lead to a worsening of relations between the two countries. It is not necessary, for instance, to build the wall right on the borderline, for doing so is an invitation for disputes.

Second, high-level negotiations between both countries should be conducted to establish a mutually acceptable arrangement for controls over cross-border trading and travels. This should be done with all due sensitivity to the fact that people who have lived in the area for generations should be able to travel back and forth to visit relatives without being inconvenienced at every turn. Third, while high-level negotiations go on, the local authorities should also make an effort to jointly solve the problem. In the end, the people who live in the area will have to be comfortable with the arrangement, and their full support is essential.

As for the prevailing view in Thailand that Thai territory is being encroached upon, ways should be found for an objective third- party assessment. Scientific survey methods are now available, and if parts of the wall are built on Thai territory — intentionally or otherwise — then the simple and honorable thing for Malaysia to do is to remove them.

Thai Editorial on Differences Between Terrorists, Activists

BK2602085696 Bangkok BANGKOK POST in English 26 Feb 96 p 4

[Editorial: "Don't Lump Terrorists and Activists Together"]

[FBIS Transcribed Text] The exercises have been most impressive. For weeks, various organs of state security have been putting on displays to make it abundantly clear the terrorist who chooses to strike during the Asia-Europe meeting would be very foolish indeed.

In the pages of the press and on our television screens we have seen security units overpower terrorists bent on assassinating VIPs, police bad guys hurling missiles and abuse at police good guys — and seeming to thoroughly enjoy it — and baton-wielding riot units with enough armour to stop a tank round.

The ring of steel to be clamped around the VIPs from 25 countries and their legions of aides who are to gather in Bangkok for the March 1-2 talks is, however, of a non-discriminatory nature.

There is a saddening need to appreciate that many of our guests face a very real threat from terrorists. We need only look to London, where the squandering of the Ulster peace process has claimed three lives in 10 days, or to Spain, where one million people took to the streets to beg for an end to Basque terrorist violence. Japan has its Aum Shinrikyo and Sri Lanka its Tamil Tigers, and so it goes on.

While there is a need to appreciate the threat from terrorists, there is a greater need to understand that not every political activist or non-government organisation hard-liner is a murderous fanatic. There is a temptation to lump terrorists and activists together, but there are distinctions, not least that one group advertises its presence with placards, literature and chants, while the other lies low.

The chiefs of some security agencies appear to have blurred the distinction by making much of the obligatory foreign-funded activists arriving with dastardly schemes to protest and even perhaps wave banners in the air.

These people hardly constitute a threat: they may wish to say things that some visiting heads of state would rather not hear, but that is democracy. The people of Burma, Tibet and East Timor, for example, do not take to the streets of foreign capitals for capricious reasons: they do so because protests in the countries from which they have fled would be crushed by the baton and the gun.

By tolerating protests, we could take the opportunity to show to the world and some of our partners and aspiring members of the Association of Southeast Asian Nations in particular that we have an advanced society with respect for freedom of expression.

It might also be worth considering that foreign visitors might learn a thing or two from groups which feel their views are not to be represented in the formal talks. Bans, barricades and force of arms, as we know to our cost, cannot combat conviction.

Thailand: Prime Minister's Office on Narcotics Policy

96SE0016A Bangkok DAILY NEWS in Thai 24 Dec 95 p 6

[Interview with Dr. Prasong Buraphong, minister in the Office of the Prime Minister, by Phimphet Phattanapraasitchai, date and place not given]

[FBIS Translated Text] Because of all the reports about the amphetamine trafficking activities of a politician who is a deputy party leader, people are again very interested in the issue of narcotics suppression. Dr. Prasong, as the minister in the Office of the Prime Minister, oversees the Office of the Narcotics Control Bureau (ONCB). Thus, we talked with Dr. Prasong about the progress made this year in suppressing narcotics.

[Phimphet] What is the drug situation like at present?

[Prasong] The situation hasn't changed very much. Whenever a drug trafficker is arrested, there is always someone else to take his place. Thus, we have to focus on two aspects simultaneously, that is, suppression and control. Control activities are very difficult and complex, because this requires the cooperation of many sectors. In particular, public relations is a very important task in order to reach every institution. But we have achieved very few concrete results. However, after serving in this position for three months now, everyone is beginning to take a greater interest in this matter.

[Phimphet] What about cooperation with the United States?

[Prasong] I have met with important American officials such as DEA [Drug Enforcement Administration] officials. We have discussed the fact that besides cooperating on the suppression front, we should also cooperate on the control front, because drugs pose a threat to the entire world. The United States has budgeted a large sum of money for this. I have asked that they provide financial support to Asian countries and proposed that we implement a program to teach people about the problems of drugs. I don't know how much help they will give us. We will also have to ask for help from private organizations, foundations, and associations, because these projects require large sums of money.

I think that all countries should help each other by providing people with information. As for cooperation at the ASEAN level, every year ASEAN holds a conference on the narcotics problem. Our data on international drug trafficking activities are always quite good. The United States is very satisfied with our drug suppression work. We have interdicted the flow of drugs to the United States. But the drug problem is a worldwide problem. We can't focus just on the United States; we must also give attention to other countries.

[Phimphet] To date, it seems as if there has been a lack of public relations activities.

[Prasong] We have been carrying on public relations activities. But these have usually been intangible in nature. A few days ago, however, I gave a speech at the ONCB, and the press printed erroneous stories about a politician being involved in amphetamine trafficking activities. That was a public relations activity that gained the attention of the entire country. Actually, I am very glad that those stories were printed. That shows that public relations activities are intangible activities whose results are very difficult to measure. We can't hire a company to run advertisements on this, because our funds are limited. We recently asked the owners of several oil companies to come discuss this, and these companies agreed to cooperate. They have agreed, for example, to post signs in the work areas and to carry on public relations activities among truck drivers.

A major public relations event will take place on 27 January 1996. This will be the first such event sponsored by the ONCB. I am talking about the national conference on narcotics to be held at parliament. People from both public and private units have been invited to attend. Mr. Bun-ua Prasoetsuwan, the president of the Senate, will chair the conference. We will inform presidents of parliaments around the world about what Thailand's parliament is doing about the drug problem. At the conference, there will be demonstrations, which will be televised so that the people can understand. The highly technical portions will be omitted. At the same time, the results achieved by the ONCB will be detailed, and people will be allowed to discuss this freely.

[Phimphet] Have you encountered any obstacles in your work?

[Prasong] As for the problem of government officials becoming involved in drug trafficking activities, at the cabinet meeting on 19 December, we asked the cabinet to pass a resolution on transferring or replacing those whose work involves narcotics. Any such transfers must be considered by an ONCB committee chaired by General Chawalit Yongchaiyut, the deputy prime minister. We are afraid that our people may be transferred or framed. The drug traffickers wield great influence, and they have many talented legal experts working for them.

As for officials in other units who become involved in drug trafficking, if there is a lack of firm evidence, we will at least ask that they be removed from their positions. The cabinet agreed and felt that this was in accord with government policy. In particular, the prime minister is bent on suppressing drug trafficking and feels that action should be taken.

The government should take steps to increase the budget for this. The prime minister is, however, satisfied with the results achieved by the ONCB and constantly monitors what is being done. The ONCB must submit weekly reports to the cabinet on the progress made. The Ministry of Public Health is now examining students and youths at various schools, because we don't know how many students are addicted to drugs. All that we have are some very damaging news reports.

[Phimphet] The problem is, most of the drug traffickers have great influence. What can be done about this?

[Prasong] In all countries, those who traffic in drugs wield influence, including state power, political power, and financial power. If they are politicians, the only thing that can be done is to have the people take action. Those with power must find a way to improve the quality of our people. They must have the knowledge and education necessary to take responsibility for the country. Studies have shown that Thai youths, particularly youths in Thailand, are very weak when it comes to politics. And the situation is even worse in the provinces. I am trying to think of ways to increase the political knowledge of our youths. After I took this position, I suggested to those concerned that this be included in the educational curriculum beginning at the primary level. The various sectors, including the Ministry of Education and the Office of University Affairs, have taken action on this.

[Phimphet] What progress has been made in suppressing amphetamines?

[Prasong] As for suppressing amphetamines, this drug has now been classified as a Type-1 narcotic, and the penalties are as severe as those for heroin. That is, those who produce or who import or export this drug can be sentenced to life in prison or executed. If the government can promulgate other laws, we will achieve better results in suppressing drugs. This is because today's laws aren't very effective. Drug traffickers sometimes meet with powerholders. The powerholders may not know that they are talking with a drug trafficker. Or if they do, they may not do anything, claiming that they don't have any evidence. If they wanted to do something, they could. Thus, the drug traffickers are quite successful and go scot-free.

[Phimphet] What results have been achieved in seizing drugs during the past period?

[Prasong] During the period 10-16 December 1995, nationwide 26 suspects were arrested on amphetamine charges and 100,000 amphetamine tablets were seized; five suspects were arrested on heroin charges and 3.26 kg of heroin were seized; and eight suspects were arrested on marijuana charges and 1,687 kg of marijuana were seized.

Thai Government Announces Cabinet Reshuffle

BK2802132596 Bangkok Radio Thailand Network in Thai 1200 GMT 28 Feb 96

["Announcement Removing and Appointing Cabinet Officials" dated 28 February—read by announcer]

[FBIS Translated Text] King Phumiphon Adunyadet has ordered it to be announced that, whereas he had appointed Banhan Sinlapa-acha prime minister in an announcement dated 13 July 1995 and appointed ministers to administer national affairs in an announcement dated 18 July 1995, the prime minister has informed him that certain ministerial posts should be changed because of suitability and in the interests of national administration. Empowered by Articles 163 and 174 of the Constitution, Fifth Amendment, of 1995, he removes and appoints the following ministers:

1. The following ministers are to vacate their posts: Deputy Prime Minister Bunphan Khaewatthana; Prasong Bunphong, Charat Phuachuai, and Rakkiat Sukthana, ministers attached to the Prime Minister's Office; Commerce Minister Montri Phongphanit; Deputy Commerce Minister Suwit Khunkitti; and Deputy Agriculture Minister Chatchai Ia-sakun.

2. The following are to be appointed: Montri Phongphanit as deputy prime minister; Bunphan Khaewatthana and Chatchai Ia-sakun as ministers attached to the Prime Minister's Office; Charat Phuachuai as deputy foreign minister; Suwit Khunkitti as commerce minister; Rakkiat Sukthana as deputy agriculture minister; and Prasong Bunphong as deputy minister of labor and social welfare.

This announcement is to become effective immediately.

Announced on 28 February 1995, the 51st year of the reign of the present king.

Countersigned by Prime Minister Banhan Sinlapa-acha.

Thai Article Views Obstacles to Economic Zone Development

BK2702130096 Bangkok MATICHON in Thai 27 Feb 96 p 21

[Article by Det Dechatham: "The Law Supporting Special Economic Zone — Remote Dream of Thai Businessmen"]

[FBIS Translated Text] In 1981 the Thai Government began to give emphasis to the Eastern Seaboard Development Program [ESDP] to create a new industrial city and living community, hoping that it would result in decentralization of industry to the eastern seaboard. The area was designated a zone in which to base the petrochemical industry and related industries, as well as a new commercial seaport to export products of nearby industrial parks.

As the government hoped, Thai and foreign businessmen have made investments in the zone, but the following problems have affected the ESDP:

1. lack of infrastructure, including road and water and energy sources;

2. infrastructure construction not going according to schedule due to lack of funds from the national budget;

3. lack of coordination among too many units in charge. The main unit in charge of planning, the Eastern Seaboard Development Board, carries merely the status of a section, causing its evaluations and initiatives pushing for new plans to lack weight. There is also the problem of administrative inflexibility caused by outdated bureaucracy;

4. damage to the environment caused by loose management and inept disposal of industrial waste and garbage;

5. absence of a law for the ESDP giving it support as a special economic zone; thus, the privileges given to investors are too few and not enough to attract more of them when compared with projects in Indonesia, Malaysia, China, and Vietnam.

In 1984 the government of General Prem Tinsulanon designated the ESDP a special economic zone, but no law was enacted to support its status as such. There was insufficient investment promotion of the zone; also, the privileges associated with the zone were insufficient because investors were liable to taxes in the Thai revenue system. Only investors from countries that had accords on double taxation with Thailand were given a tax exemption status. Other nationalities do not enjoy such protection.

For this reason, Thai and foreign investors chose to make their investments in special development zones, or the so-called export processing zones, in neighboring countries because they were given investment promotion status as well as freedom from double taxation. Thailand does not have such a zone, and the law supporting investment in industrial zones does not yield such privileges.

Another point: investment promotion or privileges given to industrial estates must not violate World Trade Organization regulations and conditions set by countries that are trading partners against export subsidies, dumping, or unfair trading practices. This is especially important because problems could result. An example of this was the countervailing duties being assessed on Thai nails, ball bearings, and bicycle bearings.

It has been 12 years since we established a special economic zone, and there are plans to establish more in the south and north. The same problems facing the ESDP will face the new zones if the government ignores the need to have a law to support the status of special economic zones.

It is essential to accelerate passage of a law supporting the status of special economic zones to establish their administration organizations in the interest of speedy and flexible management and formulation of plans responsive to investors, who will bring capital to the production sector that will generate jobs; this will fall in line with the philosophy of the eighth national development plan.

If the government allows management of special economic zones to continue without proper direction, as it does now, it is pointless for Thailand to think about competing against Indonesia and Malaysia. In fact, it would be tantamount to sitting back to let Vietnam, Burma, and Laos catch up. It would also be no different from letting current industries fend for themselves against trade protectionism and face the same old, outdated, export procedures. If this scenario continues, Thai and foreign businessmen will continue to have bad dreams.

Thai National Airlines Fleet Revamp Approved

BK2802042996 Bangkok THE NATION in English 28 Feb 96 p A1

[Report by Watsana Khomphira]

[FBIS Transcribed Text] The board of directors of THAI Airways International yesterday approved a five-year plan to raise Bt [baht] 143 billion for a fleet of 21 new jetliners. It also confirmed a scheme to reduce types of aircraft, engines and crew to save operating costs.

Funding for the new fleet will come from retained earnings, sale of existing jetliners, new shares and loans, according to a committee source.

The committee also decided which models of aircraft will be purchased for the new fleet: five Airbus 300-600 with GE engines; four Airbus 330 with GE engines; four Boeing 737-400 or 737-500 with GE engines, six Boeing 777s with Rolls-Royce engines; and two Boeing 747-400 with GE engines.

THAI, which reported a net profit of Bt3.2 billion for the financial year ending September 1995, expects to use up to 50 per cent of its retained earnings to pay for the new fleet. The company's earnings have been projected to reach a total of Bt70 billion for the next five years.

The company also plans to sell 31 jets worth about Bt13 billion as part of its fleet adjustment, including two Boeing 747-300s, six Boeing 747-200s, two Boeing 737-200s, three DC-lOs, seven Airbus 300-B4s, two Airbus 310-200s, five BAe 146-300s, two ATR 72s and two ATR 42s.

Earlier this year, THAI sold six Boeing 747-200s to Landon Asset Management Inc in the U.S. for US$123 million, and two Boeing 737- 200s to Shaheen Air International Ltd for US$16.7 million.

The company's third measure in its long-term plan is to issue 200 million new shares over the next five years, even though the airline's stock has not had an impressive performance since it was listed on the exchange in 1992.

THAI's share price yesterday lost Bt1 to Bt47.25, well below its Bt60 initial public offering price. The company was listed on the Stock Exchange of Thailand a few years ago and the price managed to rise above the IPO level only for a brief period.

Finally, THAI will borrow 28 per cent of the Bt143 billion needed for the aircraft purchase package. The four measures will be finalized by the Finance Ministry, the major shareholder of THAI.

Suphachai Phisitwanit, director-general of the Customs Department and a THAI board member, said the debt-to-equity ratio was projected at 2.8:1 over the next five years, compared with the current 2.9:1 if aircraft types are reduced and new services added.

Finance Permanent Secretary M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun, also a THAI board member, said the national flag carrier needed to restructure to increase profitability.

Profits could double if passenger loads were increased from the current break-even level of 66 per cent, since there is marginal cost — about 15 per cent — above this level, he said. THAI would reap great profits if the load factor rose from 66 per cent he reiterated.

Company board chairman ACM [Air Chief Marshal] Siriphong Thongyai said the board had approved reducing its aircraft, engine and crew ratio from the present 15:15:12 to 6:6:6 respectively. This could significantly reduce the airline's operating cost in the long-run, he explained.

The airline earlier admitted it had too many types of aircraft, engines and crews because of political intervention. The 5-BAe and 4-ATR aircraft sold while Montri Phongphanit was Transport and Communications minister seemed a controversial deal, and the airline decided to sell these aircraft.

Vietnam

SRV Spokesperson on Cuba's Downing of U.S. Aircraft

BK2802154496 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Feb 96

[FBIS Translated Text] In response to a foreign journalist's question concerning the incident involving aircraft of a Cuban reactionary organization in exile in the United States violating Cuba's airspace and being shot down on 24 February, our Foreign Ministry spokesperson said: Based on information received, it can be said that Cuba has evidence to show that a Cuban reactionary organization in exile in the United States has taken advantage of the Cuban Government's patience by having its aircraft violate Cuba's sovereignty, territorial integrity, and security for provocation purposes. Therefore, it was necessary for Cuba to adopt self-defense measures to preserve its sovereignty and protect its security.

SRV Denies Claim That U.S. MIA's Worked in Kazakhstan

BK2802053096 Hong Kong AFP in English 0434 GMT 28 Feb 96

[FBIS Transcribed Text] Hanoi Feb 28 (AFP) — Hanoi on Wednesday flatly rejected the claim that American PoW's [prisoners of war] held during the 1960's had been forced to work at a secret arms testing site in the Soviet republic of Kazakhstan in the 1960's.

"We reject this calumnious information" was the government's entire written response made to AFP in connection to the story.

Kazakh physicist Yevgeniy Kolomeyets of Almaty University last Friday said he had evidence that several PoW's, including U.S. pilot James Kelly Patterson who was shot down over Vietnam in 1967, had worked on the Soviet anti-aircraft weapons firing range at Sarichagansk on the shores of Lake Balkash.

The United States is still hunting for the remains of 2,202 servicemen listed as missing after the war but it has acknowledged that there is no possibility of recovering the remains of some 567 people.

MIA's [missing in action] were top of the list of issues blocking the normalisation of relations but Washington has praised Vietnamese cooperation in recent years.

The issue still remains politically sensitive with MIA family groups and some veterans organisations demanding that Hanoi do more itself to account for the missing Americans.

Vietnam is eager to win trade concessions and membership of international organisations such as the World Trade Organisation and the Asia Pacific Economic Cooperation forum.

But the United States has called for Hanoi to make more progress on human rights and labour issues before it can get most favoured nation trading status that would reduce tariffs on exports to the United States.

Hanoi has accused the United States of interference in its affairs by raising human rights and has said it will not bow to any pressure on the issue.

SRV Foreign Minister Returns From New Delhi Meeting

BK2602142296 Hanoi Voice of Vietnam in English 1000 GMT 26 Feb 96

[FBIS Transcribed Text] Vietnamese Foreign Minister Nguyen Manh Cam has returned home after attending the 7th meeting of the Indo-Vietnam intergovernmental cooperation in New Delhi. While there, he was received respectively by Indian President Sharma and Prime Minister Narasimha Rao.

Leaders of both countries noted that the two countries have great potential for cooperation. Vietnam and India needed to promote bilateral cooperation in economics and trade.

They also hoped that the intergovernmental meeting would contribute to speeding further cooperation between the two countries, making it compatible with the potential and aspirations of people of both Vietnam and India.

SRV: Intergovernmental Committee Conference With India Hailed

BK2602144696 Hanoi Voice of Vietnam in English 1000 GMT 26 Feb 96

[Station commentary]

[FBIS Transcribed Text] The seventh meeting of the Vietnam-India Intergovernmental Committee for Cooperation was held in New Delhi last week. The Vietnamese delegation was headed by Foreign Minister Nguyen Manh Cam. Indian President Sharma and Prime Minister Narasimha Rao both voiced their hope that the session will work out ways to promote cooperation between India and Vietnam.

Vietnamese Foreign Minister Nguyen Manh Cam told the Indian senior leaders that the Vietnamese party, government, and people always respect the consolidation and development of the traditional friendship and multifaceted cooperation between Vietnam and India.

The Vietnamese foreign minister said: Vietnam will broaden its cooperation in economy, trade, science, and technology with India. Recent relations between Vietnam and India have actively developed, especially after the official visit to India by party leader Do Muoi in September 1992 and the Vietnam visit by Indian Prime Minister Narasimha Rao in September 1994.

The success of the seventh session of the Intergovernmental Committee for Cooperation between Vietnam and India creates favorable conditions for the development of relations and cooperation in various fields between the two countries, especially with Vietnam as a full member of ASEAN and India as full negotiator with the organization.

SRV General Secretary Receives German Party Delegation

BK2602153396 Hanoi VNA in English 1449 GMT 26 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 26 — A delegation from the German Party of Democratic Socialism (PDS) led by its Honorary Chairman Hans Modrow arrived in Hanoi yesterday, beginning an official friendship visit to Vietnam at the invitation of the CPV [Communist Party of Vietnam] Central Committee.

At his talks with Mr. Modrow, General Secretary of the CPV Central Committee Do Muoi warmly welcomed the Vietnam visit made by Mr. Hans Modrow at a time when the Vietnamese people are actively preparing for the upcoming eighth party national congress. He expressed his pleasure at the restoration and development of the PDS over the past time and wished the party still greater achievements. He reiterated the CPV's desire to broaden and strengthen the traditional friendly relations between the two parties in the interests of the two parties and the two countries as well as for peace, national independence, democracy and social progress in the world.

Mr. Do Muoi informed his guests of the current renovation process in Vietnam and the preparations for the upcoming eighth party national congress which, he said, will take Vietnam to a new development period, that of national industrialisation and modernisation.

On behalf of the PDS, Mr H. Modrow thanked the CPV Central Committee for its hospitality and expressed his pleasure to witness with his own eyes the achievements recorded by Vietnamese people in their renovation process under the leadership of the CPV. He also expressed his belief that the socialist-oriented renovation cause in Vietnam would be a success, contributing to the common cause of progressive forces in the world. He informed the host of the situation in Germany and the PDS's tasks in the present stage.

Party General Secretary Do Muoi and Chairman H. Modrow also exchanged views on some international issues of common concern.

After the talks, Mr Muoi gave a banquet in honour of Mr. Modrow and his party.

The same day, Deputy Chairman of the Vietnamese National Assembly [NA] Dang Quan Thuy received Mr. Hans Modrow at the NA's headquarters. The two sides informed each other of the political and socio-economic situations in their respective countries, discussed possibilities for (?further) cooperation.

SRV Essay Reviews Vietnam-Belgium Economic Cooperation

BK2702160496 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Feb 96

[Essay by station editor]

[FBIS Translated Excerpt] [Passage omitted] Belgium is one of the countries in Western Europe to have established diplomatic ties with Vietnam from an early date — since 1973. During a visit to Vietnam by the Belgian minister of cooperation in October 1997, Belgium and Vietnam signed a framework agreement on economic, industrial, and technological cooperation, as well as agreements on railway and credit cooperation, and on the establishment of the Vietnam-Belgium Committee for Economic Cooperation. In January 1991 when the Belgian foreign minister visited Vietnam, the two sides signed an agreement on investment encouragement and protection. Belgium has helped Vietnam improve relations with various international financial and monetary institutions. It has put our country on its list of countries entitled to receive priority aid for development.

The Belgian Government has also expressed its desire to increase its cooperation with and assistance to Vietnam for the benefit of the two nations. Subsequently, when Deputy Prime Minister Phan Van Khai visited Belgium in October 1992, Belgium decided to reduce Vietnam's debts to the former by over $22 million. Next, at an international conference of Vietnam donors held in Paris in November 1993, Belgium once against wrote off Vietnam's debts. Following a visit to Vietnam by Deputy Belgian Prime Minister (Klaes) in May 1993 and while Prime Minister Vo Van Kiet was visiting the Kingdom of Belgium in June 1993, Belgian Prime Minister Dehaene affirmed: The Kingdom of Belgium reserves for Vietnam, a country rich in natural resources and with a stable political system, a priority status for receiving development aid. Belgium will expand its cooperation with Vietnam in the areas where Belgium is strong and will encourage and create conditions for Belgian businessmen to invest in Vietnam. The point is to find suitable measures to broaden the mutually-beneficial cooperation. This is also the goal of the current 27-29 February visit to Vietnam by Belgian Prime Minister Dehaene. This visit to Vietnam by the highest leader of the Kingdom of Belgium since the two countries established diplomatic ties will serve as a milestone in their bilateral relations.

Earlier, in a visit to Vietnam by the Belgian crown prince and 120 Belgian businessmen, the two sides signed 12 projects, including a project for which Belgium is granting over 200 million Belgian francs to Vietnam at a preferential interest rate in order to create conditions for Belgian businessmen to invest in Vietnam. In addition, Belgium businessmen also signed various projects to build and renovate various tea processing plants and factories belonging to the Vietnam Railway Sector, which manufactures rail ties from cement concrete; and to provide equipment to weaving plants and street light factories and to the Vietnam-Germany hospital building project in Hanoi.

As for investment, Belgium now has eight investment projects in Vietnam and two joint-venture projects with other countries in the area of oil and gas exploitation with a total capital of over $100 million. Trade relations between the two countries are not good enough, with their trading turnover reaching only $40 million in 1995. It is hoped, however, that under the current renovation situation and together with the official signing of cooperation agreements between Vietnam and the European Union last year, the trade relations between Belgium and Vietnam will be improved to a remarkable degree.

This visit to Vietnam by the prime minister of the Kingdom of Belgium, Dehaene, takes place at a time when the situation in Vietnam and Belgium as well as in Southeast Asia and the European Union is undergoing many changes, when the positions of Vietnam and Belgium have improved in Southeast Asia and in the European Union, and when relations between Belgium in particular and the European Union in general with Asia are being strengthened, especially after the European Union adopted a new strategy on Asia and prepared for the first-ever Asia-Europe summit to be held in Thailand on 1 March.

This visit by Belgian Prime Minister Dehaene will certainly contribute to promoting and opening up many new areas of cooperation for mutual development.

SRV: Belgian Prime Minister Arrives; Welcomed by Vo Van Kiet

BK2802074596 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 28 Feb 96

[FBIS Translated Text] Belgian Prime Minister Jean-Luc Dehaene and his wife arrived in Hanoi on 28 February for an official friendship visit to Vietnam. This is the first visit to Vietnam by the Belgian prime minister since the establishment of diplomatic relations between the two countries in March 1973.

An official ceremony was held this morning at the Presidential Palace in Hanoi to welcome Prime Minister Jean-Luc Dehaene and his wife. Attending the function were Prime Minister Vo Van Kiet and his wife, and ministers and deputy ministers of various ministries.

After the welcoming ceremony, the two prime ministers held a private meeting at the Presidential Palace. Next, the Vietnamese and Belgian delegations held talks and signed cooperation agreements between the two countries.

Earlier in the morning, Prime Minister Jean-Luc Dehaene and his entourage visited the Temple of Literature at Quoc Tu Giam street and other places in Hanoi.

SRV: Editorial on Belgian Prime Minister's Visit Cited

BK2802091796 Hanoi VNA in English at 0807 GMT on 28 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 28 — The Vietnam visit by Belgian Prime Minister Jean Luc Dehaene which starts today is a vivid manifestation of the friendship and cooperation for mutual development between Vietnam and Belgium, says NHAN DAN in its editorial today.

The editorial says the Vietnamese people welcome this five-day official visit, the first by a Belgian prime minister since the two countries established diplomatic relations in 1973, as a step for further strengthening of cooperative relations between the two countries.

Belgium was among the first western countries to establish diplomatic relations with Vietnam. Since then, bilateral cooperation has seen significant and encouraging steps of development. The two governments signed a number of economic, trade, finance, industry, scientific and technological cooperation agreements and an agreement on investment encouragement and protection.

Since 1992, Belgium has granted official development assistance and encouraged Belgian businessmen to invest in Vietnam. The assistance was spent on training technicians and accelerating the economy of Vietnam.

The Belgian people also carried out activities in support of the Vietnamese people to help them defend their national independence in the past, and maintain peace and improve their living standards at present. In addition, the government of Belgium as a member of the EU has created favourable conditions for Vietnam to broaden its relations with international financial institutes and western countries.'

The editorial continues: 'bilateral ties have been accelerated, especially after the Belgium visit by Prime Minister Vo Van Kiet in July 1993 and the Vietnam visit by HRH Prince Philippe of Belgium in 1994. The exchange of visits and talks of officials at different levels from both sides have increased their mutual understanding, thus making their cooperation more effective.

To share the difficulties facing by the Vietnamese people, the Belgian Government twice wrote off debts with a combined value of nearly USD 40 million and will continue granting soft loans and official development assistance to Vietnam in the near future.'

It further adds: 'the fruitful development of the Vietnam-Belgium relations has also benefited from advantages of new developments in ASEAN-EU relations. State leaders of both countries will attend the first Asia-Europe Summit Meeting to be held in Thailand in March to develop significant cooperative orientations.'

'With effort and goodwill from both countries, Vietnam believes that friendship and cooperation between the governments and peoples of Vietnam and Belgium will be further expanded in the interest of each country', the editorial concludes.

SRV Foreign Minister Receives Visiting Spanish Counterpart

BK2802085696 Hanoi VNA in English
0711 GMT 28 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 28 — Talks were held here yesterday afternoon between Vietnamese Foreign Minister Nguyen Manh Cam and his Spanish counterpart, Carlos Westendorp, who arrived in Hanoi earlier the same day for a three-day official friendship visit.

During the talks, the two foreign ministers informed each other of the situation in their respective countries and expressed pleasure at the positive development of cooperative ties between the two countries recently. They reached unaminity on the orientation and measures to be taken to develop bilateral cooperation, especially fields that Vietnam is interested in and Spain has strength like mechanical engineering, fishing, tourism and culture, agriculture and personnel training.

Foreign Minister Cam informed his Spanish counterpart of Vietnam's achievements in the current renovation process, particularly those in economic, political and social areas and foreign policy, as well as major orientation for socio-economic development in the future with a view to implement industrialisation and modernisation, thus helping Vietnam become more involved in regional and inter-[word indinstinct].

Mr. Cam highly appreciated the Spanish Government's goodwill towards the strengthening of its cooperative relation with Vietnam. He also expressed thanks to the Spanish Government for its decision to grant Vietnam a credit fund of USD 80 million for the deployment of socio-economic development projects in Vietnam and a loan of USD 30.4 million at the meeting of donor group in late 1995. Mr. Cam requested the Spanish Government to offer Vietnam preferential credit conditions to help Vietnam effectively use the above funds.

Minister Carlos Westendorp expressed his admiration at the achievements recorded by the Vietnamese people in their renovation cause and spoke highly of Vietnam's position and role in the cause of peace, stability and cooperation in the region. He affirmed that Vietnam's open-door external policy and its active participation in the region's alignment process was a positive factor or peace, stability and cooperation in the region. He also expressed his government's readiness to promote its cooperation and help Vietnam in the fields requested by Vietnam.

Minister Carlos Westendorp suggested that the two countries should soon set up a joint committee on cooperation to boost their bilateral relations of cooperation and commercial exchange. He said that Spain will soon establish its commercial representative office in Ho Chi Minh City and its embassy in Hanoi to strengthen the relations between the two countries.

He affirmed that the Spanish Government supported Vietnam's admission to the World Trade Organisation (WTO) and the Asia-Pacific Economic Commission (APEC), and the strengthening of Vietnam's relations with the European Union (EU).

The two ministers also exchanged views on regional and international issues of common concern.

The talks took place in an atmosphere of friendship and mutual understanding.

Present at the talks were Deputy Foreign Minister Nguyen Dy Nien, Mr. Juan Manuel, charge d'affaires of the Spanish Embassy in Thailand and others.

SRV: Vo Van Kiet Visits Tan Thuan Processing Zone

BK2602134196 Hanoi Voice of Vietnam in English 1000 GMT 26 Feb 96

[FBIS Transcribed Text] Prime Minister Vo Van Kiet said: Now favorable conditions will be created in Ho Chi Minh city's Tan Thuan export processing zone as a way of encouraging both foreign and domestic investors.

In a weekend visit to Tan Thuan, Mr. Kiet said: The export processing zone management mechanism would be improved, while some factories would be allowed to sell products needed by local consumers in domestic market. He also said public policies were needed to encourage domestic investors into the export processing zone, while the zone must help boost Vietnam's economy through a suitable import-export mechanism.

SRV: Do Muoi Discusses Improving Health Care

BK2802085996 Hanoi VNA in English 0738 GMT 28 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 28 — Party General Secretary Do Muoi has laid emphasis on the need to develop health service networks to provide better care for the people so that they can carry out the industrialisation and modernisation process which will be the main theme of all discussions at the coming Eighth National Party Congress.

'One of the most important tasks is to boost health care and protection for the people, push back disease, increase longevity, and improve both the physical and mental strength of the working people making them capable of implementing successfully national industrialisation and modernisation,' Mr Do Muoi said.

Addressing a meeting held by the Ministry of Public Health in Hanoi yesterday to mark Vietnamese physicians' day (Feb. 27) and the awarding of the Gold Star Order, the highest distinction of Vietnam, to the health sector by the state, the party leader highlighted the outstanding achievements recorded by the health service over the years.

He said 'prior to the August 1945 revolution, the health service was in very poor condition. There were a few hospitals and clinics in Hanoi, Saigon and some major provinces and cities. Now, Vietnam has over 700 hospitals and clinics. Many research institutes and medical universities and colleges. It also has various specialized clinics and about 10,000 medical stations at the grassroots level with more than 240,000 medical workers. This has helped prevent the outbreak of many plagues and dangerous diseases, increase the longevity of Vietnamese people and bring down mortality rates among women and children.'

He recalled that before the revolution, for every 1,000 birth, 20 women died and 400 babies did not survive more than one year, while longevity was only 36 years for the whole country.

Mr Do Muoi also underlined the role of the health service as pioneering the cause of healthcare for the people and the development of human resources. This cause will be also one of the most important duties of the whole community, families and individuals, he added.

The party leader called for stronger efforts to improve people's health and their physical strength in the next decades. Priority should be given to health care for all when they are still in the womb, he said.

Efforts will be promoted to ensure health services for mothers and children, boost the expanded immunisation, and nutrition programmes, increase sports and physical training movements together with programmes on environmental hygiene and disease prevention and control, and given priority to preventive medicine, stepping up the traditional and modern medicine combination, and carrying out the policy of preferential medical services towards the poor and those who have rendered great contributions to the nation. Do Muoi stressed that these will be the major tasks of public health in the period between now and the year 2000.

SRV: Six More Districts Planned for Hanoi

BK2702152596 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Feb 96

[FBIS Translated Text] According to a report just published on Hanoi planning adjustments until 2010, six more districts will be set up in the inner city area. Three new districts will be developed on the right bank of the Red River — in the Tu Liem-Dien, Thanh Xuan-Ha Dong, and Pha Xuan-Van Dien regions — covering a total area of 12,000 hectares. Three new districts will be established on the left bank of the Red River — Gia Lam, Co Loa, and Van Tri Districts — covering a total area of 8,000 hectares.

SRV Cabinet on Implementing 1996 Socioeconomic Development

BK2802092196 Hanoi VNA in English 0824 GMT 28 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 28 - The government has discussed measures to be taken to carry out tasks on socio-economic development set for 1996, particularly steps to successfully balance the state budget in order to accelerate national economic growth and socio-economic stabilisation. .

In a regular meeting held here on Feb. 26-27, the cabinet also debated how to boost production and the circulation of goods, increase export and import, turnovers, improve state management, and regulate financial and monetary markets.

Participants at the two-day meeting heard a suplementary report reviewing the 1995 socio-economic achievements and tasks for 1996, presented by Minister of Planning and Investment Do Quoc Sam, a report on the 1996 state budget, presented by Minister of Finance Ho Te and the commerce bill, presented by Trade Minister Le Van Triet.

With regard to the review of the socio-economic situation last year, the government noted that the country recorded many socio- economic achievements which were higher than the estimated figures in the report submitted to the National Assembly in October 1995.

For example, the country last year grossed an export turnover of USD 5.3 billion, USD 600 million higher than the figure estimated in the submitted report. Apart from a considerably high growth rate in agriculture and industry, the inflation rate was driven back and stood at 12.7 percent, lower than the figure earlier reported to the National Assembly.

At the meeting, presided over by Prime Minister Vo Van Kiet, the government praised efforts made by over the first two months of this year in stabilizing prices, boosting production and ensuring social order and security.

PM Kiet urged the Ministries of Finance, and Planning and Investment, other relevent agencies and local authorities to develop plans of action to solve issues left over from 1995 and effectively control the expenditure and income of the state budget, immediately amend policies to boost production, and practise thrift.

'Any organizations or individuals corrupting or using the state budget and state property lavishly should be punished severely in order to re-establish order in the area', PM Kiet also stressed.

Reports debated at the meeting will be submitted to the national assembly at its regular session scheduled for early March.

Australia

Australia: Chinese Community Center in Sydney Bombed

BK2202070396 Melbourne Radio Australia in English 0500 GMT 22 Feb 96

[FBIS Transcribed Text] New South Wales Police have confirmed that a handmade bomb was used in an attack on the Chinese Community Center at Granville in Sydney's west earlier today. The front window of the Australian-Chinese Community Association was blown out by the blast and the street littered with broken glass over a 30-meter radius. Detectives are continuing the investigations into the attack.

[Hong Kong AFP in English at 0040 GMT on 22 February in a similar report adds the following: "Peter Wong, coordinator for the non-political association — the biggest Chinese welfare organisation in Australia — said the Granville office had also been damaged in an attack in January. 'I personally think it is racist,' Wong said. The police spokesman said there was 'nothing to indicate' that it was a racist attack. He said detectives were probing the blast and that there was no apparent motive for the attack. Preliminary investigation suggested the device consisted of a large cardboard tube packed with gunpowder and ball-bearings, he said."]

Australia: Cambodia Rejects Evans' Remarks on Justice System

BK2402130296 Melbourne Radio Australia in English 1100 GMT 24 Feb 96

[FBIS Transcribed Text] The Cambodian Government has denied a claim by Australia of interference in the trial earlier this week of former foreign minister, Prince Norodom Sirivut. Prince Norodom Sirivut was sentenced in absentia to 10 years in prison for plotting to kill Cambodia's second prime minister, Hun Sen.

The justice minister, Chem Snguon, rejected a remark by Australia's foreign minister, Gareth Evans, that the sentence showed that the Cambodian judiciary was not fully independent. Mr. Chem Snguon said Prince Sirivut had been tried and convicted according to Cambodian law. He said the only people who could judge the merit of the case were now the judges of the Appeals Court and Supreme Court. The justice minister added that he did not know whether an appeal against the 10-year sentence would be made by the prince who is living in exile in Paris.

Australia: ROK Bans AUSTRALIAN FINANCIAL REVIEW Journalist

LD2602152496 Melbourne Radio Australia in English 1230 GMT 26 Feb 96

[From the "International Report"]

[FBIS Transcribed Excerpt] The South Korean government has banned Australian journalist Bruce Cheeseman from working in the country. Mr. Cheeseman, the AUSTRALIAN FINANCIAL REVIEW correspondent in Seoul, was the only journalist working for an Australian publication permanently based in the city. Radio Australia's North Asia correspondent John Shovelan asked Mr. Cheeseman why he thought the South Korean government had barred his return to Seoul.

[Begin recording] [Cheeseman] There's no doubt in my mind I have been kicked out of South Korea because of my reporting, particularly stories related to President Kim Yong-sam.

[Shovelan] Why is that such a sensitive subject to report on?

[Cheeseman] In Korea, the Confucian tradition is that the president is regarded as sacrosanct, so no one can actually attack the office of the president. So the Blue House tends to be very, very sensitive towards any criticism directly related to the president or his family.

[Shovelan] What does it say about South Korea as an emerging democracy, the fact that a journalist like yourself who has been there for seven years can all of a sudden find that they can't get back in?

[Cheeseman] Well, I would say that it contradicts the whole nature of democracy. [passage omitted] I would say it flies in the face of any concept of liberalization or reform. [passage omitted]

[Shovelan] Were you given any specific reason for not being allowed to return to South Korea?

[Cheeseman] No reasons were given at all and the Koreans said that — and this is a direct quote from a letter which was sent to the AUSTRALIAN FINANCIAL REVIEW — as is the practice among sovereign states, the Ministry of Justice did not provide any explanation for this decision and do not have to. [end recording]

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